

ANNUAL BUDGET

2011/2014



Chief Albert Luthuli Municipality

*The transparent, innovative and developmental municipality
that improves the quality of life of its people*



Chief Albert Luthuli Municipality

Vision

A transparent, innovative and developmental municipality that improves the quality of life of its people.

Mission

To provide a transparent and accountable government by rendering affordable and sustainable services; and encouraging economic and social development through community participation.

Core Values and Principles

- The municipality is driven by the aspirations of the people; we will respect and uphold the Constitution of the Republic of South Africa.
- The municipality commits itself to the Code of Conduct for Councilors and Officials contained in the Municipal Systems Act, 2000.
- The municipality commits itself to the principles of sound financial management
- The municipality subscribes to the principles of Batho Pele: Consultation, Service Standards, Access, Courtesy, Information, Openness and transparency, Redress and Value for Money.
- The municipality subscribes to Cooperative Governance. As a partner in governance we will promote and constructively participate in Regional, Provincial and National programmes.

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Abbreviation of funding sources

CFR (RO)	-	Capital Facilities Reserve (Roll Over)
CRR	-	Capital Replacement Reserve
CRR (Ad hoc)	-	Capital Replacement Reserve (Ad hoc)
CRR (RO)	-	Capital Replacement Reserve (Roll over)
CRR (Services)	-	Capital Replacement Reserve (Services)
CTC	-	Cleanest Town Competition
DAC	-	Department of Art and Culture
EFF	-	External Financing Fund
EFF (Ad hoc)	-	External Financing Fund (Ad hoc)
EFF (CF)	-	External Financing Fund (counter funding)
EFF (Inyanda)	-	External Financing Fund (Inyanda)
EFF (RO)	-	External Financing Fund (Roll over)
EPW	-	Expanded Public Works Programme
FMG	-	Finance Management Grant
INEP	-	Integrated National Electricity Program
INSURANCE	-	Insurance Fund
MIG	-	Municipal Infrastructure Grant
MSIG	-	Municipal Systems Improvement Grant
CALM	-	Chief Albert Luthuli Municipality
CALM (Ad hoc)	-	Chief Albert Luthuli Municipality (Ad Hoc)
CALM (RO)	-	Chief Albert Luthuli Municipality (Roll over)
NLDTF	-	National Lottery Distribution Fund
NPAG	-	New Phased Approached Grant

Functional Codes

PART 1
ANNUAL BUDGET

PART 1

Report by the Executive Mayor

ANNUAL BUDGET FOR THE 2011/2012; 2012/2013 & 2013/2014 FINANCIAL YEARS

1. As a result of the community participation through the Integrated Development Plan process and subsequent planning processes, the 2011/2012 to 2013/2014 annual budget is herewith tabled for adoption after the public consultations .
2. The State President in his 2011 State of the Nation Address indicated that :
 - 2.1. 2011 is a year of job creation through meaningful economic transformation and inclusive growth.
 - 2.2. Our infrastructure development programme enables us to expand access to basic services and to improve the quality of life.
 - 2.3. Government must fill all funded vacant posts. The performance monitoring and evaluation department will provide a report within six months.
 - 2.4. We will continue with the Comprehensive Rural Development Programme directed at reviving land reform projects and irrigation schemes in the former homelands as well as distressed farms owned by individuals.
 - 2.5. We should build a responsive, accountable, effective and efficient local government system.
3. The challenge for the municipality is to do more within its existing resources by reprioritizing money from low-priority programmes to high-priority programmes. Municipalities play a critical role in furthering government objective of providing services to all while facilitating local economic development.
4. Given the current constraints some very tough decisions in the course of considering the 2011/2012 budgets and Medium Term Revenue and Expenditure Framework (MTREF) were taken. Priority must be given to:
 - 4.1. Creation of decent jobs
 - 4.2. Managing all revenue streams, especially debtors.
 - 4.3. Promote Local Economic Development
 - 4.4. Youth development through internships
 - 4.5. Expediting spending on capital projects that are funded by conditional grants.
 - 4.6. Ensure that capital budgets reflect consistent efforts to address the backlogs in basic services and the upgrading of existing infrastructure.
5. It is important that the financial position of the municipality remains sustainable over the medium term facing the current constraints and therefore, special attention must be given to eliminating all unnecessary spending on nice-to-have items and non-essential activities.
6. In terms of the Division of Revenue Act the equitable share increases to R141,2 million for the 2011/2012 financial year and is projected to increase to R156.6 million in the 2012/2013 and projected to increase to R166.5 million in the 2013/2014 financial year. Capital transfers increase to R63.7 million and are projected to increase to R81.7 million in the 2013/2014 financial year.
7. The new valuation roll was successfully implemented from 1 July 2008.
8. To assist our communities the following social packages are included in the budget for indigent households:
 - 8.1. Free Basic Water - 8kl per month

- 8.2. Free Basic Electricity - 50kWh per month
 - 8.3. Free Sanitation Services
 - 8.4. 50% discount on Refuse Removal Services.
9. The tabled budget herewith presented provides for total operating revenue of R222,5 million for 2011/2012 financial year, R229,7 million for the 2012/2013 financial year and R242,4 million for the 2013/2014 financial year. The bulk of the revenue is derived from user charges for services and property rates of which electricity charges are the main contributing. User charges increase due to a combination of tariff increases.
 10. The main expenditure are as follows:
 - 10.1. Employee related costs amount to 34.42% of the total operating expenditure.
 - 10.2. General expenses amount to 59.57% of the total operating expenditure this also includes contribution from operating to capital expenditure from own source.
 11. Departmental capital allocations as per the basic service delivery is as follows:
 - 11.1. R34,3 million for electricity services
 - 11.2. R40,1 million for water services
 - 11.3. R25,5 million for sewerage services
 - 11.4. R7,7 million for refuse removal services
 12. The executive summary and supporting documents in the tabled budget document contain more details regarding the contents of the budgeted provisions.
 13. In compliance with section 22(b)(i) of the MFMA, the tabled budget must be submitted to National Treasury and Provincial Treasury.
 14. It is recommended by the Executive Mayor:
 - 14.1. That the annual budget for the 2011/2012, 2012/2013 and 2013/2014 financial years be considered and tabled to the Council for consideration and comments as set out in the following budget tables:
 - Table A1 : Budget Summary
 - Table A2 : Budgeted Financial Performance (revenue and expenditure by standard classification)
 - Table A3 : Budgeted Financial Performance (revenue and expenditure by municipal vote)
 - Table A4 : Budget Financial Performance (revenue and expenditure)
 - Table A5 : Budgeted Capital Expenditure by vote, standard classification and funding
 - Table A6 : Budgeted Financial Position
 - Table A7 : Budgeted Cash Flows
 - Table A8 : Cash Backed Reserves / Accumulate Surplus Reconciliation
 - Table A9 : Asset Management
 - Table A10 : Basic Service Delivery Measurement.
 - 14.2. That the proposed resolution on annual budget for the 2011/2012, 2012/2013 and 2013/2014 financial years as contained in the budget document be approved.
 - 14.3. That the proposed electricity budget with tariffs be implemented once approved by the National Energy Regulator.
 - 14.4. That the tabled annual budget be put on the municipal website.

Schedule 1 – Draft Resolution on approval of the Annual Budget

DRAFT RESOLUTION ON THE APPROVAL OF THE ANNUAL BUDGET FOR CAPITAL AND OPERATING EXPENDITURE FOR THE 2011/2012, 2012/2013 AND 2013/2014 FINANCIAL YEARS

RECOMMENDED TO RESOLVE

1. **THAT** the multi-year annual budget of capital and operating expenditure for 2011/2012 and the indicated two outer years of 2012/2013 and 2013/2014 be approved as set out by the following tables:
 - 1.1. Table A1 : Budget summary
 - 1.2. Table A2 : Budgeted financial performance
 - 1.3. Table A3: Budgeted financial performance (municipal vote)
 - 1.4. Table A4 : Budget financial performance by revenue source and expenditure type
 - 1.5. Table A5 : Budgeted capital expenditure by vote
 - 1.6. Table A6 : Budgeted financial position
 - 1.7. Table A7 : Budgeted cash flows
 - 1.8. Table A8 : Cash backed reserves / accumulate surplus reconciliation
 - 1.9. Table A9 : Asset management
2. **THAT** in terms of Section 75A of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), interest be recovered on amounts outstanding for periods longer than thirty (30) days on all debtor accounts at a rate equal to the prime bank overdraft rate from SARB as applicable to the bank account of the Council from time to time.
3. **THAT** the proposed electricity budget with tariffs and motivations be implemented once approved by the National Energy Regulator.
4. **THAT** the adjusted sundry tariffs, Value Added Tax inclusive, as reflected in the comments of the various Heads of Departments under Schedule 3 be approved for implementation with effect from 1 July 2011.
5. **THAT** the following policies as amended be considered for implementation from 1 July 2011:
 - 5.1. Tariff Policy
 - 5.2. Rates Policy
 - 5.3. Credit Control and Debt Collection Policy
 - 5.4. Cash Management and Investment Policy
 - 5.5. Funding and Reserves Policy
 - 5.6. Long-term Financial Planning Policy
 - 5.7. Indigent Policy
 - 5.8. Free Basic Services Policy
 - 5.9. Budget Policy
 - 5.10. Water and Electricity Management Policy
 - 5.11. Overtime Policy
6. **THAT** the measurable performance objectives for revenue from each source as per Table A4 be approved for the 2011/2012 budget year.
7. **THAT** the tabled budget accordingly be submitted to the Mpumalanga Department of Finance and National Treasury in the formats as prescribed.

EXECUTIVE SUMMARY ON THE 2011/12 TO 2013/14 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) TABLE ANNUAL BUDGET

1. Report by the Acting Chief Financial Officer

- 1.1. The Minister of Finance mentioned that government should intensify activities that make a difference to the lives and prospects of all South Africans, that priority programmes required for implementing the New Growth Path are funded, that macroeconomic stability is maintained, with necessary adjustments supporting enterprise and job creation.

Chief Albert Luthuli Municipality should not just employ more people without any reference to the level of staffing required to deliver effective services, and what is financially sustainable over the medium term. The municipality ought to focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital project use labour intensive methods wherever appropriate;
- Ensuring that service providers use labour intensive approaches;
- Supporting labour intensive LED projects;
- Participating fully in the Extended Public Works Programme; and
- Implementing interns programmes to provide young people with on-the-job training.

It is important that the financial position of the municipality remains sustainable over the medium term facing the current economic constraints. Therefore special attention must be given to eliminating all unnecessary spending on nice-to-have item and non-essential activities and ensure that capital budgets reflect consistent efforts to address the backlogs in basic services and refurbishment of existing infrastructure.

The tabled annual budget consists of two (2) main parts with supporting information, charts and explanations of trends and deviations. National Treasury has further encouraged municipalities to include the draft municipal service delivery and budget implementation plan with the tabled budget document.

2. Part 1 - Annual Budget

This annexure contains the A1-10 tables and draft resolutions to be approved by Council with supporting schedules, inclusive of the following:

- Report of the Executive Mayor
- Schedule 1 : Draft resolution for the 2011/2012, 2012/2013 and 2013/2014 annual budget
- Executive Summary
- Annual Budget Tables
 - Table A1 : Budget summary
 - Table A2 : Budgeted financial performance by vote
 - Table A3 : Budgeted financial performance by municipal vote
 - Table A4 : Budget financial performance by revenue source and expenditure type
 - Table A5 : Budgeted capital expenditure by vote
 - Table A6 : Budgeted financial position
 - Table A7 : Budgeted cash flows
 - Table A8 : Cash backed reserves / accumulate surplus reconciliation
 - Table A9 : Asset management
 - Table A10 : Basic service delivery measurement

Executive Summary

Table A1 provides a consolidated budget summary of the proposed annual budget. The combined expenditure for the MTREF is as follows:

	2011/12	2012/13	2013/14
Operating expenditure	222 471	229 722	242 356
Capital expenditure	126 765	123 246	130 025
Total	349 236	352 968	372 381

Table A2 provides details on the budgeted financial performance by vote, whilst Table A4 and Supporting Table SA1 and SA2 provides details on the budgeted financial performance by revenue source and expenditure type.

Table A4 is graphically presented in:

- Chart 1 Revenue by major source
- Chart 2 Other revenue
- Chart 3 Operating expenditure by type

Based on the mid-year performance assessment, the budgeted revenue for 2010/2011 is revised from R211,1 million to R195.8 million.

The tabled budget herewith presented provides for total operating revenue of R222,5 million for 2011/2012 financial year, R229,7 million for the 2012/2013 financial year and R242,3 million for the 2013/2014 financial year. This reflects an increase of 13,63% in operating revenue.

Government is also stepping up programmes to monitor municipal performance against grants. The DORA clearly states that any conditional allocation not spent at the end of a financial year reverts back to the national revenue fund unless proof to the satisfaction of National Treasury that unspent allocations is committed to identifiable projects. At this stage it is envisaged that all conditional grants will be spend by 30 June 2011.

The key operating expenditure allocations in the proposed budget for 2011/2012 financial year include:

- R37,9 million for electricity services
- R6,9 million for sanitation
- R7,8 million for refuse removal
- R23 million for water services

The operating expenditure allocations by vote are graphically presented in:

- Chart 4 Operating expenditure by main vote
- Chart 5 Other operating expenditure

Table A5 provides details on the budgeted capital expenditure, whilst table A9 provides information on asset management. Table A5 is graphically presented in:

- Chart 6 Capital expenditure by main vote
- Chart 7 Other capital expenditure
- Chart 8 Capital funding by source

The proposed capital expenditure for 2011/2012 amounts to R126,8 million, R123,2 million for the 2012/2013 financial year and an amount of R130 million for the 2013/2014 financial year.

The key capital expenditure in the proposed capital budget for 2011/2012 financial year is:

- R34,3 million for electricity services
- R40,1 million for water services
- R25,5 million for sewerage services
- R7,7 million for refuse removal services
- R8,3 million for road transport

The key capital expenditure is graphically presented in:

- Chart 9 Capital expenditure by asset class

Table A6 and Supporting Table SA3 provides information on the projected budgeted financial position and table A7 provides details on the projected cash flow.

3. Part 2 - Supporting Documents

This annexure contains the Supporting Tables with explanatory notes, inclusive of the following:

- Overview of the annual budget process.
- Overview of the alignment of the annual budget with the integrated development plan.
- Measurable performance objectives and indicators.
- Overview of budget related policies.
- Overview of budget assumptions.
- Overview of budget funding.
- Funding requirements for capital expenditure.
- Expenditure on allocations and grant programmes.
- Allocations or grants made by the municipality.
- Councillors and board member allowances and employee benefits.
- Monthly targets for revenue, expenditure and cash flow.
- Contracts having future budgetary implications.
- Capital expenditure details.
- Legislative compliance status.

Schedule 2 : Comparison on the imposing of assessment rates and setting of tariffs for the 2011/2012 financial year.

Schedule 3 : Recommendation on the proposed sundry tariffs for the various services for the 2011/2012 financial year.

Schedule 5 : Budget Related Policies

4. Part 3 - Draft Annual Budgets and SDBIP's for internal departments

This annexure disclose the annual budgets and service delivery implementations plans for internal departments with a high level executive summary as follows:

- Report by the Acting CFO on the SDBIP which include the following annexures:
 - Supporting Table SA 25 - Monthly projections of revenue for each source and expenditure type.
 - Supporting Table SA 27 - Monthly projection of operating revenue and expenditure by vote.
 - Supporting Table SA 29 - Monthly projections of capital expenditure by vote.
- Executive Summaries for internal departments.
- Departmental annual operating budget.
- Departmental detailed capital expenditure.

P J NHLABATHI
Acting Chief Financial Officer

Table A1 - Budget Summary

MP301 Albert Luthuli - Table A1 Budget Summary

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousands										
Financial Performance										
Property rates	14 588	18 099	23 417	19 125	19 125	19 125	19 125	28 306	29 835	31 476
Service charges	15 947	18 235	34 398	31 518	24 686	24 686	24 686	28 865	25 661	27 073
Investment revenue	7 523	6 292	4 147	4 698	2 545	2 545	2 545	3 250	3 426	3 614
Transfers recognised - operational	89 556	126 314	111 390	140 591	135 754	135 754	135 754	153 332	161 612	170 501
Other own revenue	32 725	22 309	55 658	15 188	13 730	13 731	13 731	8 718	9 188	9 694
Total Revenue (excluding capital transfers and contributions)	160 339	191 250	229 009	211 120	195 841	195 841	195 841	222 471	229 722	242 356
Employee costs	34 943	46 821	62 567	72 516	71 000	71 000	71 000	76 573	80 708	85 147
Remuneration of councillors	8 208	9 226	9 007	11 464	11 464	11 464	11 464	13 364	14 086	14 861
Depreciation & asset impairment	-	18 225	18 225	3 000	3 000	3 000	3 000	3 000	3 162	3 336
Finance charges	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	13 105	85 414	14 840	21 535	21 230	21 230	21 230	24 813	26 152	27 591
Transfers and grants	-	-	-	216	-	-	-	-	-	-
Other expenditure	76 220	56 381	57 030	102 389	89 147	89 147	89 147	104 721	105 614	111 423
Total Expenditure	132 477	216 067	161 670	211 120	195 841	195 841	195 841	222 471	229 722	242 357
Surplus/(Deficit)	27 862	(24 817)	67 339	0	0	0	0	(0)	(0)	(0)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	27 862	(24 817)	67 339	0	0	0	0	(0)	(0)	(0)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	27 862	(24 817)	67 339	0	0	0	0	(0)	(0)	(0)
Capital expenditure & funds sources										
Capital expenditure	30 901	27 856	9 486	16 300	30 451	30 451	30 451	126 765	133 786	141 144
Transfers recognised - capital	26 229	20 760	-	58 000	58 000	-	-	96 371	111 906	125 728
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	4 673	7 025	-	32 419	-	-	-	30 394	21 880	15 416
Total sources of capital funds	30 901	27 785	-	90 419	58 000	-	-	126 765	133 786	141 144
Financial position										
Total current assets	64 734	12 463	102 101	111 922	101 922	102 840	102 840	79 500	73 695	60 365
Total non current assets	296 642	520 982	504 056	518 290	518 290	518 290	518 290	521 609	525 956	590 000
Total current liabilities	35 421	30 693	52 841	35 824	35 824	35 824	35 824	23 049	22 996	20 730
Total non current liabilities	176	119	2 345	3 424	3 424	3 424	3 424	4 569	6 496	7 947
Community wealth/Equity	325 779	502 633	553 202	32 629	32 629	32 629	32 629	-	-	-
Cash flows										
Net cash from (used) operating	21 834	27 829	325 530	443 292	417 330	417 330	417 330	510 623	533 698	575 051
Net cash from (used) investing	(33 937)	(35 995)	38 441	2 433	(6 641)	(6 641)	(6 641)	-	-	-
Net cash from (used) financing	(92)	(107)	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	(12 196)	(20 469)	343 503	451 514	416 479	416 479	416 479	557 509	1 091 207	1 666 258
Cash backing/surplus reconciliation										
Cash and investments available	44 029	39 405	46 885	58 452	48 452	49 370	49 370	51 000	56 100	61 710
Application of cash and investments	(47 559)	12 774	53 784	(15 806)	(16 260)	(16 260)	(16 260)	(2 379)	(414)	14 288
Balance - surplus (shortfall)	91 588	26 631	(6 899)	74 258	64 712	65 630	65 630	53 379	56 514	47 422
Asset management										
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	18 225	18 225	3 000	3 000	3 000	3 000	3 000	3 162	3 336
Renewal of Existing Assets	14	11 011	-	33 975	11 975	11 975	30 700	30 700	32 358	34 137
Repairs and Maintenance	2 182	7 310	5 757	12 347	10 803	10 803	10 600	10 600	11 172	11 786
Free services										
Cost of Free Basic Services provided	-	-	-	6 699	6 699	6 699	6 699	6 699	6 699	6 699
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	2 985	2 985	2 985	2 985	2 985	2 985	2 985	2 985	2 985	2 985
Energy:	30 855	30 855	30 855	30 855	30 855	30 855	30 855	30 855	30 855	30 855
Refuse:	38 856	38 856	38 856	38 856	38 856	38 856	38 856	38 856	38 856	38 856

Table A2 - Budgeted financial performance by vote

MP301 Albert Luthuli - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		115 204	118 080	140 605	159 363	155 768	155 768	180 083	189 628	200 057
Executive and council		247	372	33	1 081	437	437	—	—	—
Budget and treasury office		114 643	117 379	140 168	158 282	155 331	155 331	179 302	188 805	199 189
Corporate services		313	329	404	—	—	—	781	823	868
<i>Community and public safety</i>		1 828	54 249	53 821	2 650	2 038	2 038	1 824	1 870	1 973
Community and social services		284	187	180	181	225	225	83	87	92
Sport and recreation		—	—	—	4	45	45	48	—	—
Public safety		1 242	1 454	2 026	2 465	1 768	1 768	1 693	1 783	1 881
Housing		—	—	—	—	—	—	—	—	—
Health		301	52 608	51 615	—	—	—	—	—	—
<i>Economic and environmental services</i>		2 621	2 721	3 653	1 324	1 240	1 240	4 674	4 922	5 192
Planning and development		0	75	185	1 267	1 240	1 240	4 674	4 922	5 192
Road transport		5	—	—	—	—	—	—	—	—
Environmental protection		2 616	2 646	3 468	57	—	—	—	—	—
<i>Trading services</i>		40 686	16 200	30 930	47 783	36 795	36 795	35 890	37 792	39 871
Electricity		7 078	10 284	12 640	25 889	19 268	19 268	23 786	25 047	26 425
Water		29 534	2 302	14 261	19 266	14 926	14 926	8 230	8 667	9 143
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		4 074	3 614	4 029	2 628	2 601	2 601	3 873	4 079	4 303
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Standard	2	160 339	191 250	229 009	211 120	195 841	195 841	222 471	234 212	247 093
Expenditure - Standard										
<i>Governance and administration</i>		50 480	122 454	51 642	76 479	73 774	73 774	86 329	90 904	95 904
Executive and council		26 196	28 886	19 709	35 776	33 769	33 769	35 637	37 526	39 590
Budget and treasury office		23 930	91 141	20 946	27 291	23 826	23 826	30 788	32 420	34 203
Corporate services		353	2 427	10 987	13 412	16 178	16 178	19 903	20 958	22 111
<i>Community and public safety</i>		12 981	20 475	15 553	29 844	24 470	24 470	29 671	31 243	32 961
Community and social services		3 514	6 583	4 075	6 961	5 498	5 498	6 669	7 022	7 409
Sport and recreation		3 015	3 747	3 579	4 726	4 405	4 405	4 807	5 061	5 340
Public safety		5 686	9 294	7 006	17 053	13 573	13 573	18 195	19 159	20 213
Housing		—	—	—	—	—	—	—	—	—
Health		766	850	894	1 104	994	994	—	—	—
<i>Economic and environmental services</i>		17 242	17 328	15 922	27 225	19 462	19 462	26 897	28 322	29 880
Planning and development		3 443	4 380	4 828	10 355	7 029	7 029	11 173	11 765	12 412
Road transport		7 231	8 091	7 531	9 480	7 045	7 045	7 430	7 824	8 254
Environmental protection		6 569	4 857	3 562	7 390	5 388	5 388	8 294	8 733	9 213
<i>Trading services</i>		51 768	55 743	68 410	68 902	64 730	64 730	65 829	69 318	73 130
Electricity		12 296	19 023	24 724	35 536	36 112	36 112	37 911	39 921	42 116
Water		34 730	34 004	41 014	26 861	24 335	24 335	23 076	24 299	25 635
Waste water management		—	—	2 671	6 505	4 283	4 283	4 842	5 099	5 379
Waste management		4 742	2 716	—	—	—	—	—	—	—
<i>Other</i>	4	6	67	10 144	8 671	13 405	13 405	13 746	14 425	15 218
Total Expenditure - Standard	3	132 476	216 067	161 670	211 120	195 841	195 841	222 471	234 212	247 093
Surplus/(Deficit) for the year		27 862	(24 816)	67 339	(1)	1	1	0	0	0

Table A2A - Detail budgeted financial performance by vote

MP301 Albert Luthuli - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue - Standard	1									
Municipal governance and administration		115 204	118 080	140 605	159 363	155 768	155 768	180 083	189 628	200 057
Executive and council		247	372	33	1 081	437	437	—	—	—
Mayor and Council		55	(13)	33	1 081	437	437	—	—	—
Municipal Manager		192	395	—	—	—	—	—	—	—
Budget and treasury office		114 643	117 379	140 168	158 282	155 331	155 331	179 302	188 805	199 189
Corporate services		313	329	404	—	—	—	781	823	868
Human Resources		—	—	—	—	—	—	—	—	—
Information Technology		—	—	—	—	—	—	—	—	—
Property Services		313	329	404	—	—	—	781	823	868
Other Admin		—	—	—	—	—	—	—	—	—
Community and public safety		1 828	54 249	53 821	2 650	2 038	2 038	1 824	1 870	1 973
Community and social services		284	187	180	181	225	225	83	87	92
Libraries and Archives		1	1	—	—	—	—	—	—	—
Museums & Art Galleries etc		—	—	—	—	—	—	—	—	—
Community halls and Facilities		73	80	64	181	225	225	83	87	92
Cemeteries & Crematoriums		132	105	111	—	—	—	—	—	—
Child Care		—	—	—	—	—	—	—	—	—
Aged Care		—	—	—	—	—	—	—	—	—
Other Community		78	1	4	—	—	—	—	—	—
Other Social		—	—	—	—	—	—	—	—	—
Sport and recreation		—	—	—	4	45	45	48	—	—
Public safety		1 242	1 454	2 026	2 465	1 768	1 768	1 693	1 783	1 881
Police		1 242	1 454	2 026	2 465	1 768	1 768	1 693	1 783	1 881
Fire		1	0	—	—	—	—	—	—	—
Civil Defence		—	—	—	—	—	—	—	—	—
Street Lighting		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		301	52 608	51 615	—	—	—	—	—	—
Clinics		301	52 608	51 615	—	—	—	—	—	—
Ambulance		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Economic and environmental services		2 621	2 721	3 653	1 324	1 240	1 240	4 674	4 922	5 192
Planning and development		0	75	185	1 267	1 240	1 240	4 674	4 922	5 192
Economic Development/Planning		0	75	185	1 219	1 153	1 153	4 674	4 922	5 192
Town Planning/Building enforcement		—	—	—	48	87	87	—	—	—
Licensing & Regulation		—	—	—	—	—	—	—	—	—
Road transport		5	—	—	—	—	—	—	—	—
Roads		5	—	—	—	—	—	—	—	—
Public Buses		—	—	—	—	—	—	—	—	—
Parking Garages		—	—	—	—	—	—	—	—	—
Vehicle Licensing and Testing		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Environmental protection		2 616	2 646	3 468	57	—	—	—	—	—
Pollution Control		—	—	—	—	—	—	—	—	—
Biodiversity & Landscape		—	—	—	—	—	—	—	—	—
Other		2 616	2 646	3 468	57	—	—	—	—	—
Trading services		40 686	16 200	30 930	47 783	36 795	36 795	35 890	37 792	39 871
Electricity		7 078	10 284	12 640	25 889	19 268	19 268	23 786	25 047	26 425
Electricity Distribution		7 078	10 284	12 640	25 889	19 268	19 268	23 786	25 047	26 425
Electricity Generation		—	—	—	—	—	—	—	—	—
Water		29 534	2 302	14 261	19 266	14 926	14 926	8 230	8 667	9 143
Water Distribution		29 534	2 302	14 261	19 266	14 926	14 926	8 230	8 667	9 143
Water Storage		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Sewerage		—	—	—	—	—	—	—	—	—
Storm Water Management		—	—	—	—	—	—	—	—	—
Public Toilets		—	—	—	—	—	—	—	—	—
Waste management		4 074	3 614	4 029	2 628	2 601	2 601	3 873	4 079	4 303
Solid Waste		4 074	3 614	4 029	2 628	2 601	2 601	3 873	4 079	4 303
Other		—	—	—	—	—	—	—	—	—
Air Transport		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Tourism		—	—	—	—	—	—	—	—	—
Forestry		—	—	—	—	—	—	—	—	—
Markets		—	—	—	—	—	—	—	—	—
Total Revenue - Standard	2	160 339	191 250	229 009	211 120	195 841	195 841	222 471	234 212	247 093
Expenditure - Standard										
Municipal governance and administration		50 480	122 454	51 642	76 479	73 774	73 774	86 329	90 804	95 904
Executive and council		26 196	25 886	19 706	35 776	33 769	33 769	35 637	37 526	39 590
Mayor and Council		16 628	18 336	16 926	30 458	29 168	29 168	32 270	33 980	35 849
Municipal Manager		9 568	10 550	2 783	5 318	4 602	4 602	3 367	3 464	3 741
Budget and treasury office		23 930	91 141	20 946	27 291	23 826	23 826	30 788	32 420	34 203
Corporate services		353	2 427	10 987	13 412	16 178	16 178	19 903	20 958	22 111
Human Resources		—	—	—	—	—	—	—	—	—
Information Technology		267	421	899	1 816	3 819	3 819	6 506	6 850	7 227
Property Services		99	45	986	1 949	2 110	2 110	13 397	14 107	14 883
Other Admin		(13)	1 991	9 102	9 647	10 248	10 248	—	—	—
Community and public safety		12 981	20 475	15 553	29 844	24 470	24 470	29 671	31 243	32 961
Community and social services		3 514	6 583	4 075	6 961	5 498	5 498	6 669	7 022	7 409
Libraries and Archives		611	847	805	1 251	1 191	1 191	1 550	1 632	1 722
Museums & Art Galleries etc		—	—	—	—	—	—	—	—	—
Community halls and Facilities		877	1 889	—	—	—	—	—	—	—
Cemeteries & Crematoriums		387	792	723	1 802	936	936	1 013	1 067	1 126
Child Care		—	—	—	—	—	—	—	—	—
Aged Care		—	—	—	—	—	—	—	—	—
Other Community		1 639	3 056	2 547	3 908	3 371	3 371	4 106	4 323	4 561
Other Social		3 015	3 747	3 579	4 726	4 405	4 405	4 807	5 061	5 340
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		5 686	9 294	7 006	17 053	13 573	13 573	18 195	19 159	20 213
Police		4 815	7 080	5 007	5 082	4 759	4 759	5 371	5 655	5 966
Fire		760	1 932	1 999	4 256	1 935	1 935	4 637	4 882	5 151
Civil Defence		—	—	—	—	—	—	—	—	—
Street Lighting		—	—	—	—	—	—	—	—	—
Other		111	282	—	7 715	6 879	6 879	8 188	8 622	9 096
Housing		766	850	894	1 104	994	994	—	—	—
Health		766	850	894	1 104	994	994	—	—	—
Clinics		—	—	—	—	—	—	—	—	—
Ambulance		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Economic and environmental services		17 242	17 328	15 922	27 225	19 462	19 462	26 897	28 322	29 880
Planning and development		3 443	4 380	4 828	10 355	7 029	7 029	11 173	11 765	12 412
Economic Development/Planning		3 443	4 380	4 828	10 355	7 029	7 029	11 173	11 765	12 412
Town Planning/Building enforcement		—	—	—	—	—	—	—	—	—
Licensing & Regulation		—	—	—	—	—	—	—	—	—
Road transport		7 231	8 091	7 531	9 480	7 045	7 045	7 430	7 824	8 254
Roads		7 231	8 091	7 531	9 480	7 045	7 045	7 430	7 824	8 254
Public Buses		—	—	—	—	—	—	—	—	—
Parking Garages		—	—	—	—	—	—	—	—	—
Vehicle Licensing and Testing		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Environmental protection		6 569	4 857	3 562	7 390	5 388	5 388	8 294	8 733	9 213
Pollution Control		—	—	—	—	—	—	—	—	—
Biodiversity & Landscape		—	—	—	—	—	—	—	—	—
Other		6 569	4 857	3 562	7 390	5 388	5 388	8 294	8 733	9 213
Trading services		51 768	55 743	68 410	68 902	64 730	64 730	65 829	69 318	73 130
Electricity		12 296	19 023	24 724	35 536	36 112	36 112	37 911	39 921	42 116
Electricity Distribution		12 296	19 023	24 724	35 536	36 112	36 112	37 911	39 921	42 116
Electricity Generation		—	—	—	—	—	—	—	—	—
Water		34 730	34 004	41 014	26 861	24 335	24 335	23 076	24 299	25 635
Water Distribution		34 730	34 004	41 014	26 861	24 335	24 335	23 076	24 299	25 635
Water Storage		—	—	—	—	—	—	—	—	—
Waste water management		—	—	2 671	6 505	4 283	4 283	4 842	5 099	5 379
Sewerage		—	—	2 671	6 505	4 283	4 283	4 842	5 099	5 379
Storm Water Management		—	—	—	—	—	—	—	—	—
Public Toilets		—	—	—	—	—	—	—	—	—
Waste management		4 742	2 716	—	—	—	—	—	—	—
Solid Waste		4 742	2 716	—	—	—	—	—	—	—
Other		6	67	10 144	8 671	13 405	13 405	13 746	14 425	15 218
Air Transport		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—				

Table A3 - Budgeted financial performance by municipal vote

MP301 Albert Luthuli - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
Revenue by Vote	1									
Vote1 - Planning and Economic Development		0	75	185	48	87	87	125	132	139
Vote2 - Corporate Services		578	794	716	882	864	864	864	910	960
Vote3 - Community Services		3 129	55 360	54 849	1 331	1 340	1 340	1 412	1 487	1 569
Vote4 - Budget & Treasury		114 643	117 379	140 168	158 282	154 987	154 987	179 302	188 805	199 189
Vote5 - Public Safety		1 242	1 454	2 026	2 465	1 768	1 768	1 693	1 783	1 881
Vote6 - Technical Services		40 690	16 200	31 033	47 783	36 795	36 795	39 075	41 364	43 639
Vote7 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote8 - Council Administration		55	(13)	33	330	-	-	-	-	-
Example 9 - Vote9		-	-	-	-	-	-	-	-	-
Example 10 - Vote10		-	-	-	-	-	-	-	-	-
Example 11 - Vote11		-	-	-	-	-	-	-	-	-
Example 12 - Vote12		-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	160 339	191 250	229 009	211 120	195 841	195 841	222 471	234 481	247 377
Expenditure by Vote to be appropriated	1									
Vote1 - Planning and Economic Development		3 443	4 380	4 828	10 355	7 029	7 029	11 173	11 765	12 412
Vote2 - Corporate Services		8 788	11 745	10 987	13 412	15 809	15 809	22 035	23 471	24 479
Vote3 - Community Services		12 993	14 216	12 118	20 181	16 285	16 285	19 769	20 817	21 962
Vote4 - Budget & Treasury		23 611	90 238	20 946	27 291	29 210	29 210	30 788	32 420	34 203
Vote5 - Public Safety		5 686	9 294	10 240	17 053	13 573	13 573	18 195	19 159	20 213
Vote6 - Technical Services		58 986	65 825	81 636	87 053	80 109	80 109	82 410	86 777	91 779
Vote7 - Executive and Council		2 343	2 032	3 989	5 318	4 602	4 602	5 831	6 140	6 478
Vote8 - Council Administration		16 628	18 336	16 926	30 458	29 225	29 225	32 270	33 930	35 846
Example 9 - Vote9		-	-	-	-	-	-	-	-	-
Example 10 - Vote10		-	-	-	-	-	-	-	-	-
Example 11 - Vote11		-	-	-	-	-	-	-	-	-
Example 12 - Vote12		-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	132 476	216 067	161 670	211 120	195 841	195 841	222 471	234 480	247 373
Surplus/(Deficit) for the year	2	27 862	(24 816)	67 339	-	(0)	(0)	0	1	4

Table A4 - Budgeted financial performance by revenue source and& expenditure type

MP301 Albert Luthuli - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
R thousand	1		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue By Source												
Property rates	2		14 588	18 099	23 417	19 125	19 125	19 125	19 125	28 306	29 835	31 476
Property rates - penalties & collection charges												
Service charges - electricity revenue	2		7 089	9 842	12 640	25 145	19 096	19 096	19 096	23 786	20 308	21 425
Service charges - water revenue	2		2 167	1 843	14 261	1 874	1 879	1 879	1 879	1 268	1 336	1 409
Service charges - sanitation revenue	2		974	3 764	4 029	2 563	2 558	2 558	2 558	2 601	2 741	2 892
Service charges - refuse revenue	2		867	2 787	3 468	1 207	1 153	1 153	1 153	1 210	1 276	1 346
Service charges - other			4 851			729	-	-	-			
Rental of facilities and equipment			375	501	500	135	505	505	505	474	500	527
Interest earned - external investments			7 523	6 292	4 147	4 698	2 545	2 545	2 545	3 250	3 426	3 614
Interest earned - outstanding debtors			12 797	18 834	16 089	11 083	10 063	10 063	10 063	6 109	6 439	6 793
Dividends received							-	-	-		-	
Fines			139	183	110	540	161	161	161	145	153	161
Licences and permits			498	24	1 747	1 894	1 538	1 538	1 538	1 435	1 513	1 596
Agency services			450	1 170			-	-	-		-	
Transfers recognised - operational			89 556	126 314	111 390	140 591	135 754	135 754	135 754	153 332	161 612	170 501
Other revenue	2		18 465	1 598	37 211	1 537	1 464	1 464	1 464	554	584	616
Gains on disposal of PPE												
Total Revenue (excluding capital transfers and contributions)			160 339	191 250	229 009	211 120	195 841	195 841	195 841	222 471	229 722	242 356
Expenditure By Type												
Employee related costs	2		34 943	46 821	62 567	72 516	71 000	71 000	71 000	76 573	80 708	85 147
Remuneration of councillors			8 208	9 226	9 007	11 464	11 464	11 464	11 464	13 364	14 086	14 861
Debt impairment	3											
Depreciation & asset impairment	2		-	18 225	18 225	3 000	3 000	3 000	3 000	3 000	3 162	3 336
Finance charges												
Bulk purchases	2		8 657	12 259	14 840	21 535	21 230	21 230	21 230	24 813	26 152	27 591
Other materials	8		4 448	73 155								
Contracted services			4 193	6 514	9 629	15 187	16 400	16 400	16 400	17 069	17 991	18 980
Transfers and grants						216						
Other expenditure	4, 5		72 028	49 867	47 401	87 201	72 747	72 747	72 747	87 653	87 623	92 443
Loss on disposal of PPE												
Total Expenditure			132 477	216 067	161 670	211 120	195 841	195 841	195 841	222 471	229 722	242 357
Surplus/(Deficit)												
Transfers recognised - capital	6		27 862	(24 817)	67 339	0	0	0	0	(0)	(0)	(0)
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-
Contributed assets												
Surplus/(Deficit) after capital transfers & contributions			27 862	(24 817)	67 339	0	0	0	0	(0)	(0)	(0)
Taxation												
Surplus/(Deficit) after taxation			27 862	(24 817)	67 339	0	0	0	0	(0)	(0)	(0)
Attributable to minorities												
Surplus/(Deficit) attributable to municipality			27 862	(24 817)	67 339	0	0	0	0	(0)	(0)	(0)
Share of surplus/ (deficit) of associate	7											
Surplus/(Deficit) for the year			27 862	(24 817)	67 339	0	0	0	0	(0)	(0)	(0)

Table A5 – Budgeted capital expenditure by vote

MP301 Albert Luthuli - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote1 - Planning and Economic Development		186	26	10	190	20	20	20	200	211	222
Vote2 - Corporate Services		1 622	1 337	699	453	651	651	651	3 483	3 671	3 873
Vote3 - Community Services		2 942	3 137	711	3 528	3 248	3 248	3 248	9 202	9 699	10 232
Vote4 - Budget & Treasury		602	253	420	1 778	1 716	1 716	1 716	257	447	471
Vote5 - Public Safety		776	897	433	638	541	541	541	4 500	4 743	5 004
Vote6 - Technical Services		24 701	22 065	7 084	23 030	24 169	24 169	24 169	108 435	114 290	120 576
Vote7 - Executive and Council		13	43	39	92	53	53	53	189	199	210
Vote8 - Council Administration		59	28	65	-	-	-	-	500	527	556
Example 9 - Vote9		-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10		-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11		-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12		-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	30 901	27 785	9 461	29 708	30 398	30 398	30 398	126 765	133 786	141 145
Single-year expenditure to be appropriated	2										
Vote1 - Planning and Economic Development		186	26	10	190	20	20	20	200	211	222
Vote2 - Corporate Services		1 622	1 337	699	453	651	651	651	3 483	3 671	3 873
Vote3 - Community Services		2 942	3 137	711	3 528	3 248	3 248	3 248	9 202	9 699	10 232
Vote4 - Budget & Treasury		602	253	420	1 778	1 716	1 716	1 716	257	447	471
Vote5 - Public Safety		776	897	433	638	541	541	541	4 500	4 743	5 004
Vote6 - Technical Services		24 701	22 065	7 084	23 030	24 169	24 169	24 169	108 435	114 290	120 576
Vote7 - Executive and Council		86	114	65	183	106	106	106	189	199	210
Vote8 - Council Administration		59	28	65	-	-	-	-	500	527	556
Example 9 - Vote9		-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10		-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11		-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12		-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		30 974	27 856	9 486	29 800	30 451	30 451	30 451	126 765	133 786	141 145
Total Capital Expenditure - Vote		61 875	55 642	18 947	59 508	60 849	60 849	60 849	253 530	267 573	282 289
Capital Expenditure - Standard											
Governance and administration		2 297	1 661	1 223	2 322	2 420	2 420	2 420	4 429	4 844	5 110
Executive and council		73	71	104	92	53	53	53	689	726	766
Budget and treasury office		602	253	420	1 778	1 716	1 716	1 716	257	447	471
Corporate services		1 622	1 337	699	453	651	651	651	3 483	3 671	3 873
Community and public safety		2 913	2 405	929	2 846	2 469	2 469	2 469	6 588	6 289	6 635
Community and social services		251	361	448	888	1 868	1 868	1 868	1 868	1 314	1 386
Sport and recreation		1 886	1 145	48	1 320	60	60	60	221	232	245
Public safety		776	897	433	638	541	541	541	4 500	4 743	5 004
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	3	-	-	-	-	-	-	-	-
Economic and environmental services		11 698	3 660	640	2 010	1 840	1 840	1 840	16 235	17 112	18 053
Planning and development		186	26	10	190	20	20	20	200	211	222
Road transport		10 708	2 005	415	500	500	500	500	8 300	8 748	9 229
Environmental protection		805	1 629	216	1 320	1 320	1 320	1 320	7 735	8 153	8 601
Trading services		7 935	3 171	6 627	3 930	18 869	18 869	18 869	89 385	93 405	97 721
Electricity		-	-	4 988	-	-	-	-	34 321	36 174	38 164
Water		7 935	3 080	1 509	3 930	3 930	3 930	3 930	40 125	42 292	44 618
Waste water management		-	91	130	-	14 939	14 939	14 939	14 939	14 939	14 939
Waste management		-	-	-	-	-	-	-	-	-	-
Other		6 058	16 960	67	5 192	4 853	4 853	4 853	10 128	12 137	13 626
Total Capital Expenditure - Standard	3	30 901	27 856	9 486	16 300	30 451	30 451	30 451	126 765	133 786	141 144
Funded by:											
National Government		26 229	20 760	-	58 000	58 000	-	-	84 150	91 906	110 728
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	12 222	20 000	15 000
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	26 229	20 760	-	58 000	58 000	-	-	96 371	111 906	125 728
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		4 673	7 025	-	32 419	-	-	-	30 394	21 880	15 416
Total Capital Funding	7	30 901	27 785	-	90 419	58 000	-	-	126 765	133 786	141 144

Table A6 - Budgeted financial position

MP301 Albert Luthuli - Table A6 Budgeted Financial Position

MP301 Albert Lutuli - Table A6 Budgeted Financial Position

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
ASSETS											
Current assets											
Cash		6	1	2 666	5 790	5 790	5 790	5 790	7 500	8 250	9 075
Call investment deposits	1	21 040	1 560	44 219	52 662	42 662	43 580	43 580	43 500	47 850	52 635
Consumer debtors	1	36 293	6 016	34 189	53 250	53 250	53 250	53 250	28 250	17 250	(1 750)
Other debtors		6 945	4 636	20 949							
Current portion of long-term receivables		-	-								
Inventory	2	450	249	78	220	220	220	220	250	345	405
Total current assets		64 734	12 463	102 101	111 922	101 922	102 840	102 840	79 500	73 695	60 365
Non current assets											
Long-term receivables		-	-								
Investments		34 793	38 441								
Investment property		-	-								
Investment in Associate		-	-								
Property, plant and equipment	3	261 576	482 541	504 056	518 290	518 290	518 290	518 290	521 609	525 956	590 000
Agricultural		-	-								
Biological		-	-								
Intangible		-	-								
Other non-current assets		273	-								
Total non current assets		296 642	520 982	504 056	518 290	518 290	518 290	518 290	521 609	525 956	590 000
TOTAL ASSETS		361 376	533 445	606 157	630 212	620 212	621 130	621 130	601 109	599 651	650 365
LIABILITIES											
Current liabilities											
Bank overdraft	1	11 810	598								
Borrowing	4	107	57	-	-	-	-	-	-	-	-
Consumer deposits		564	580	637							
Trade and other payables	4	22 149	27 446	49 973	32 400	32 400	32 400	32 400	18 480	16 500	12 783
Provisions		793	2 012	2 231	3 424	3 424	3 424	3 424	4 569	6 496	7 947
Total current liabilities		35 421	30 693	52 841	35 824	35 824	35 824	35 824	23 049	22 996	20 730
Non current liabilities											
Borrowing		176	119	113	-	-	-	-	-	-	-
Provisions		-	-	2 231	3 424	3 424	3 424	3 424	4 569	6 496	7 947
Total non current liabilities		176	119	2 345	3 424	3 424	3 424	3 424	4 569	6 496	7 947
TOTAL LIABILITIES		35 597	30 812	55 186	39 248	39 248	39 248	39 248	27 618	29 492	28 677
NET ASSETS	5	325 779	502 633	550 971	590 964	580 964	581 882	581 882	573 491	570 159	621 688
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		317 975	481 838	520 574							
Reserves	4	7 804	20 795	32 629	32 629	32 629	32 629	32 629	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	325 779	502 633	553 202	32 629	32 629	32 629	32 629	-	-	

Table A7 - Budgeted cash flow

MP301 Albert Luthuli - Table A7 Budgeted Cash Flows

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		118 131	152 051		51 450	45 274	45 274	45 274	69 139	68 110	71 856
Government - operating	1	–	–	107 525	137 614	133 107	133 107	133 107	153 332	161 612	170 501
Government - capital	1	–	–	64 682	58 000	58 000	58 000	58 000	68 681	77 416	93 674
Interest		7 523	6 292	4 147							
Dividends		–	–								
Payments											
Suppliers and employees		(103 774)	(130 481)	149 176	196 228	180 949	180 949	180 949	219 471	226 560	239 021
Finance charges		(47)	(34)								
Transfers and Grants	1	–	–								
NET CASH FROM/(USED) OPERATING ACTIVITIES		21 834	27 829	325 530	443 292	417 330	417 330	417 330	510 623	533 698	575 051
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–								
Decrease (Increase) in non-current debtors		220	64								
Decrease (increase) other non-current receivables		(207)	209								
Decrease (increase) in non-current investments		(2 872)	(3 649)	38 441	2 433	(6 641)	(6 641)	(6 641)			
Payments											
Capital assets		(31 078)	(32 619)								
NET CASH FROM/(USED) INVESTING ACTIVITIES		(33 937)	(35 995)	38 441	2 433	(6 641)	(6 641)	(6 641)	–	–	–
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(92)	(107)								
NET CASH FROM/(USED) FINANCING ACTIVITIES		(92)	(107)	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		(12 196)	(8 273)	363 971	445 724	410 689	410 689	410 689	510 623	533 698	575 051
Cash/cash equivalents at the year begin:	2		(12 196)	(20 469)	5 790	5 790	5 790	5 790	46 886	557 509	1 091 207
Cash/cash equivalents at the year end:	2	(12 196)	(20 469)	343 503	451 514	416 479	416 479	416 479	557 509	1 091 207	1 666 258

Table A8 - Cash back reserves / accumulated surplus reconciliation

MP301 Albert Luthuli - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(12 196)	(20 469)	343 503	451 514	416 479	416 479	416 479	557 509	1 091 207	1 666 258
Other current investments > 90 days		21 432	21 432	(296 618)	(393 062)	(368 027)	(367 109)	(367 109)	(506 509)	(1 035 107)	(1 604 548)
Non current assets - Investments	1	34 793	38 441	-	-	-	-	-	-	-	-
Cash and investments available:		44 029	39 405	46 885	58 452	48 452	49 370	49 370	51 000	56 100	61 710
Application of cash and investments											
Unspent conditional transfers		13 717	8 026	24 759	-	-	-	-	-	-	-
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	(61 276)	4 748	29 024	(15 806)	(16 260)	(16 260)	(16 260)	(2 379)	(414)	14 288
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(47 559)	12 774	53 784	(15 806)	(16 260)	(16 260)	(16 260)	(2 379)	(414)	14 288
Surplus(shortfall)		91 588	26 631	(6 899)	74 258	64 712	65 630	65 630	53 379	56 514	47 422

Table A9 - Asset management

MP301 Albert Luthuli - Table A9 Asset Management

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	30 901	19 313	39 916	90 419	143 492	129 958	96 065	101 253	106 822
Infrastructure - Road transport		–	2 005	–	650	7 800	8 450	10 300	10 856	11 453
Infrastructure - Electricity		7 935	2 808	13 024	16 392	34 056	34 056	33 420	35 225	37 162
Infrastructure - Water		5 958	4 936	3 549	31 856	36 389	36 389	8 045	8 479	8 946
Infrastructure - Sanitation		–	–	13 602	33 507	43 899	43 899	22 508	23 724	25 029
Infrastructure - Other		805	–	–	50	3 550	3 550	5 000	5 270	5 560
Infrastructure		14 697	9 749	30 176	82 455	125 694	126 344	79 274	83 554	88 150
Community		15 887	–	–	6 553	14 784	600	500	527	556
Heritage assets		317	285	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	9 279	9 740	1 411	3 014	3 014	16 292	17 171	18 116
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<u>Total Renewal of Existing Assets</u>	2	14	11 011	–	33 975	11 975	11 975	30 700	32 358	34 137
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		14	9 918	–	33 975	11 975	11 975	30 700	32 358	34 137
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		14	9 918	–	33 975	11 975	11 975	30 700	32 358	34 137
Community		–	1 092	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<u>Total Capital Expenditure</u>	4	–	2 005	–	650	7 800	8 450	10 300	10 856	11 453
Infrastructure - Road transport		–	2 005	–	650	7 800	8 450	10 300	10 856	11 453
Infrastructure - Electricity		7 935	2 808	13 024	16 392	34 056	34 056	33 420	35 225	37 162
Infrastructure - Water		5 972	14 854	3 549	65 831	48 364	48 364	38 745	40 837	43 083
Infrastructure - Sanitation		–	–	13 602	33 507	43 899	43 899	22 508	23 724	25 029
Infrastructure - Other		805	–	–	50	3 550	3 550	5 000	5 270	5 560
Infrastructure		14 711	19 668	30 176	116 430	137 669	138 319	109 974	115 912	122 287
Community		15 887	1 092	–	6 553	14 784	600	500	527	556
Heritage assets		317	285	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		–	9 279	9 740	1 411	3 014	3 014	16 292	17 171	18 116
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	30 915	30 324	39 916	124 394	155 467	141 933	126 765	133 610	140 959
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport										
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure		–	–	–	–	–	–	–	–	–
Community										
Heritage assets										
Investment properties		–	–	–	–	–	–	–	–	–
Other assets										
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	–	–	–	–	–	–	–	–	–
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		–	18 225	18 225	3 000	3 000	3 000	3 000	3 162	3 336
<u>Repairs and Maintenance by Asset Class</u>	3	2 182	7 310	5 757	12 347	10 803	10 803	10 600	11 172	11 786
Infrastructure - Road transport		289	399	938	3 127	1 950	1 950	1 950	3 321	3 517
Infrastructure - Electricity		580	2 601	2 014	3 469	4 763	4 763	3 763	3 684	3 901
Infrastructure - Water		680	659	2 119	2 423	2 231	2 231	1 815	1 936	2 050
Infrastructure - Sanitation		–	–	142	405	279	279	279	431	456
Infrastructure - Other		–	–	7	271	145	145	53	288	305
Infrastructure		1 549	3 658	5 219	9 695	9 368	9 368	7 860	9 659	10 229
Community		–	–	–	395	93	93	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	633	3 651	537	2 256	1 342	1 342	2 740	1 513	1 557
TOTAL EXPENDITURE OTHER ITEMS		2 182	25 535	23 982	15 347	13 803	13 803	13 600	14 334	15 122
Renewal of Existing Assets as % of total capex		0.0%	36.3%	0.0%	27.3%	7.7%	8.4%	24.2%	24.2%	24.2%
Renewal of Existing Assets as % of deprecn"		0.0%	60.4%	0.0%	1132.5%	399.2%	399.2%	1023.3%	1023.3%	1023.3%
R&M as a % of PPE		0.8%	1.5%	1.1%	2.4%	2.1%	2.1%	2.0%	2.1%	2.0%
Renewal and R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Chart 9 - Capital expenditure by standard classification

Table A10 - Basic Service Delivery Measurement

MP301 Albert Luthuli - Table A10 Basic service delivery measurement

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Household service targets (000)	1									
Water:										
Piped water inside dwelling		23	23	23	23	23	23	23	23	23
Piped water inside yard (but not in dwelling)		20	20	20	20	20	20	20	20	20
Using public tap (at least min.service level)	2	10	10	10	10	10	10	10	10	10
Other water supply (at least min.service level)	4	6	6	6	6	6	6	6	6	6
<i>Minimum Service Level and Above sub-total</i>		58	58	58	58	58	58	58	58	58
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	58	58	58	58	58	58	58	58	58
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		8	8	8	8	8	8	8	8	8
Flush toilet (with septic tank)		0	0	0	0	0	0	0	0	0
Chemical toilet										
Pit toilet (ventilated)		34	34	34	34	34	34	34	34	34
Other toilet provisions (> min.service level)		0	0	0	0	0	0	0	0	0
<i>Minimum Service Level and Above sub-total</i>		43	43	43	43	43	43	43	43	43
Bucket toilet										
Other toilet provisions (< min.service level)		3	3	3	3	3	3	3	3	3
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		3	3	3	3	3	3	3	3	3
Total number of households	5	46	46	46	46	46	46	46	46	46
Energy:										
Electricity (at least min.service level)		16	16	16	16	16	16	16	16	16
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		16	16	16	16	16	16	16	16	16
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources		31	31	31	31	31	31	31	31	31
<i>Below Minimum Service Level sub-total</i>		31	31	31	31	31	31	31	31	31
Total number of households	5	47	47	47	47	47	47	47	47	47
Refuse:										
Removed at least once a week		7	7	7	7	7	7	7	7	7
<i>Minimum Service Level and Above sub-total</i>		7	7	7	7	7	7	7	7	7
Removed less frequently than once a week										
Using communal refuse dump		28	28	28	28	28	28	28	28	28
Using own refuse dump										
Other rubbish disposal		0	0	0	0	0	0	0	0	0
No rubbish disposal		11	11	11	11	11	11	11	11	11
<i>Below Minimum Service Level sub-total</i>		39	39	39	39	39	39	39	39	39
Total number of households	5	46	46	46	46	46	46	46	46	46
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)					1 446 235	1 446 235	1 446 235	1 446 235	1 446 235	1 446 235
Sanitation (free sanitation service)					1 272 000	1 272 000	1 272 000	1 272 000	1 272 000	1 272 000
Electricity/other energy (50kwh per household per month)					2 650 000	2 650 000	2 650 000	2 650 000	2 650 000	2 650 000
Refuse (removed once a week)					1 330 429	1 330 429	1 330 429	1 330 429	1 330 429	1 330 429
Total cost of FBS provided (minimum social package)		-	-	-	6 699	6 699	6 699	6 699	6 699	6 699
Highest level of free service provided										
Property rates (R value threshold)										
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		50	50	50	50	50	50	50	50	50
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)										
Water										
Sanitation										
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	-	-	-	-	-	-	-	-	-

PART 2
SUPPORTING DOCUMENTS

PART 2

Overview of the budget process

1. Overview of the budget process

The integrated development plan (IDP) annual revision allow the municipality to expand upon or refine plans and strategies to included additional issues and to ensure that these plans and strategies inform institutional and financial planning through the budget process.

To achieve the above the IDP revision process plan as well as the budget process timetable were considered and approved by Council in December 2010 which indicate all the key deadlines relating to the review of the IDP and the preparation of the multi-year budget and review of budget-related policies.

The budget preparation process for the 2010/2011 budget was conducted during November 2010 until January 2011 whilst preliminary consultation and discussions on the draft budget with senior management were held during February 2011 and early March 2011.

2. Overview of alignment of annual budget with integrated development plan

Supporting Table SA4, SA5 and SA6 provides a breakdown of all revenue, operating expenditure and capital expenditure aligned to the goals and actions of the IDP on a high level.

The annual budget is linked to the five (5) main strategic goals and objectives, which are:

- Municipal transformation and institutional development
- Local Economic Development (LED)
- Municipal financial viability
- Good governance and public participation
- Basic Service Delivery

Through the IDP process it was reconfirmed that the municipality is committed to the total well-being of all its citizens through:

- the rendering of affordable, cost effective, accessible, efficient and quality services for present and future customers;
- the maximizing of infrastructural development through the utilisation of all available resources;
- improving the quality of life by co-ordinating gender and social development programmes;
- the implementation of effective management systems and procedures;
- the creation of an enabling environment for LED;
- ensuring effective co-operation with relevant stakeholders;
- to ensure skilled, motivated and committed workforce;
- compliance with the Batho Pele principles.

3. Measurable performance objectives and indicators

Supporting Table SA8 provides details on the financial indicators and benchmarks. The tabled budget was compiled considering the following main key performance indicators as a benchmark:

4. Overview of budget-related policies

The purpose of budget-related and financial policies is to provide a sound environment to manage the financial affairs of the municipality. The following are key budget relating policies:

- Tariff Policy - the policy prescribes the procedures for calculating tariffs. This policy is required in terms of Section 74 of the Local Government Municipal Systems Act, Act 22 of 2000.
- Rates Policy - a policy required by the Municipal Property Rates Act, Act 6 of 2004. This policy provides the framework for the determining of rates. It further ensures certainty and clarity as to amounts payable in respect of property rates.
- Free Basic Services and Indigent Support Policy - to provide access to and regulate free basic services to all indigent households.
- Credit Control and Debt Collection Policy - to provide for credit and debt collection procedures and mechanisms to ensure that all consumers pay for the services that are supplied.
- Budget Policy - this policy set out the principles which must be followed in preparing a medium term revenue and expenditure framework budget. It further ensures that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.
- Investment Policy - this policy was compiled in accordance with the Municipal Investment Regulation R308 and ensures that cash resources are managed in the most efficient and effective manner possible.
- Asset Management Policy - the objective of the policy is to prescribe the accounting and administrative procedures relating to property, plant and equipment (assets).
- Accounting Policy - the policy prescribes the basis of presentation of the annual financial statements in accordance with the General Recognised Accounting Practices and Accounting Standards.
- Supply Chain Management Policy - this policy is developed in terms of Section 111 of the Municipal Finance Management Act, Act 56 of 2003. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost-effective system for the procuring of goods and services, disposing of goods and selecting of contractors in the provision of municipal services.
- Subsistence and Transport Policy - this policy regulates the reimbursement of travelling and subsistence cost to officials and councillors undertaking official visits.

These policies are open for inspection at the Corporate Service Department and on the official website www.albertluthuli.gov.za.

The following policies were reviewed and are included under Schedule 5 for consideration and comments:

- Tariff Policy
- Rates Policy
- Credit Control and Debt Collection Policy
- Cash Management and Investment Policy
- Funding and Reserves Policy
- Long-term Financial Planning Policy
- Indigent Policy
- Free Basic Services Policy
- Budget Policy
- Water and Electricity Management Policy
- Overtime Policy.

5. Overview of budget assumptions

The slowing of economic growth has put pressure on the municipality's revenue and reduced the space for increased expenditure. However, the expenditure forecast on the other hand is under pressure due to the demand for higher capital expenditure and the continuous high increases projected for electricity bulk purchases. It should be born in mind that these increases do not only affect the electricity services but also the departmental electricity consumption for the other core services such as sewerage and water. Although all efforts were taken to keep expenditure within the 5.4% guideline it could just not been achieved.

6. Overview of budget funding

The proposed tariff adjustments to come into effect on 1 July 2011 are contained in the draft resolution.

A comparison on the imposing of assessment rates and setting of tariffs for the 2011/2012 financial year is included under Schedule 2 whilst the proposed tariffs for sundry services are included under Schedule 3.

Supporting Table SA10 provides detail on funding measurement and funding supporting indicators.

7. Funding requirement for capital expenditure

It is therefore essential that the proposed capital budget carefully be considered and that the impact of all future developments on the current bulk infrastructure network strategically be considered.

	2011/2012
<u>National Government</u>	
Municipal Infrastructure Grant	60 486 500
Gert Sibande District Municipality	12 221 980
ESKOM	19 618 000
DWA	4 045 000
Other	2 475 000
Investment	10 000 000
Internally generated funds	20 393 657
Total	126 765 137

Taking the above capital programme into consideration the Council's internal reserves are rapidly being depleted resulting in more reliance on external funding or government grants.

Supporting Table SA17 provides particulars of all existing and any new borrowing proposed to be raised.

Supporting Table SA15 and SA16 provide more detail on investments.

8. Expenditure on allocations and grant programmes

All national allocations to local government are published in the Division of Revenue Act, 2009, per municipality for the next three (3) years, whilst provincial allocations form part of the provincial budgets.

Supporting Tables SA18, SA19 and SA20 provide details of planned expenditure against each allocation and grant received. The following grants have been allocated to the municipality:

	2011/2012	2012/2013	2013/2014
Equitable Share (this grant is an unconditional grant and is partially utilised for the provision of free basic services through Council's Indigent Support and Free Basic Services Policies)	141 281 000	156 510 000	166 510 000

9. Allocations or grants made by the municipality

Supporting Table SA21 provides detail on provisions made by Council to other organisations in terms of the Conditions of the Grants-in-Aid Policy and specific Council resolutions. No provision is made by the municipality.

10. Councillors and board member allowances and employee benefits

Supporting Table SA22, SA23 and SA24 provides the proposed cost to Council on salaries, allowances and benefits, as well as personnel members for:

- councillors of the municipality
- municipal manager and senior managers
- other municipal staff

Employee related cost increases with 9% and includes increases in terms of wage agreement. Details of the new proposed personnel posts are included under Schedule 4.

11. Monthly targets for revenue, expenditure and cash flow

Supporting Table SA25 and SA27 disclose the monthly targets for operating revenue by source, operating expenditure by type as well as a consolidated projection of revenue and expenditure by vote, whilst Supporting Table SA29 provides monthly projections for capital expenditure by vote.

All these schedules have been included in the draft SDBIP which is included in the tabled budget document as **PART 3**.

The SDBIP further includes the detailed capital budget by programme and shows each capital project associated within the programme and indicates the planning for each project.

Supporting Table SA30 provides a consolidated projection of cash flow for the budget setting out receipts by source and payments by type, both operating and capital broken down per month for the budget year and also shown in total the following two (2) years.

12. Contracts having future budgetary implications

Multi-year funded projects are contracts having future budgetary implications as there are contracts which will impose financial obligations beyond three (3) years.

13. Capital expenditure details

Supporting Table SA34 discloses capital expenditure by asset class and table SA36 provides a list of capital programmes and projects aligned to the goals of the integrated development plan. See also Supporting Table SA6 for reconciliation with IDP strategic objectives.

14. Legislative compliance status

The municipality is fully committed to promote and seek to implement the basic values and principles of public administration described as per Section 195(1) of the Constitution.

In achieving this commitment the municipality is presently in full compliance with the stipulations of the following legislation, the principles as per circulars issued in line with the legislation as well as promulgated regulations to give effect to the stipulations of such legislation, except where a lower extent of compliance is reflected:

- Local Government : Municipal Structures Act, Act 117 of 1998 with all its amendments to date.
- Local Government : Municipal Systems Act, Act 32 of 2000 with all its amendments to date in its entirety together with regulations promulgated and applicable to high capacity municipalities.
- Local Government : Municipal Finance Management Act, Act 56 of 2004 in its entirety including regulations promulgated and applicable to high capacity municipalities.

- Compliance is also given to circulars by National Treasury in line with the Municipal Systems Act and the Municipal Finance Management Act in so far stipulations had been approved by the Council for adoption.
- Local Government : Property Rates Act, Act 6 of 2004 and its promulgated regulations in so far as a new valuation is implemented from 1 July 2009 in full compliance to legislative requirement.
- Full compliance, where sections and stipulations of sections are applicable to the municipality:
 - Electricity Act of 1987
 - Labour Relations Act of 1995
 - The Constitution of South Africa, 1996
 - Financial and Fiscal Commission Act, 1997
 - Intergovernmental Fiscal Relations Act, 1997
 - Water Services Act, 1997
 - Municipal Demarcation Act, 1998
 - National Environmental Management Act, 1998
 - Remuneration of Political Office Bearers Act, 1998
 - Skills Development Act, 1998
 - National Land Transport Transition Act, 2000
 - Preferential Procurement Policy Framework Act, 2000
 - Intergovernmental Relations Framework Act, 2005
 - Division of Revenue Acts as enacted annually

15. PART 3 - SDBIP

In terms of the budget regulation, National Treasury encourages municipalities to include the draft municipal service delivery and budget implementation plan (SDBIP) with the tabled budget. This will promote effective planning and implementation of the annual budget within the municipality.

The draft SDBIP includes the following:

- 15.1. Report on the SDBIP.
 - 15.2. Supporting Table SA25 - monthly projections of revenue for each source and expenditure type.
 - 15.3. Supporting Table SA27 - monthly projections of operating revenue and expenditure by vote.
 - 15.4. Supporting Table SA29 - monthly projections of capital expenditure by vote.
 - 15.5. Detail projects per capital programme.
16. The following Supporting Tables could not be included in the Tabled Budget due to the unavailability of information. These schedules will be attended to during May 2011 to be included with the final budget document.
- SA7 : Measurable Performance Objectives
 - SA11 : Property Rates Summary
 - SA12 and SA13 : Property Rates by category.

P J NHLABATHI
Acting Chief Financial Officer

Table SA1 - Supporting detail to budgeted financial performance

MP301 Albert Luthuli - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'												
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	
R thousand												
REVENUE ITEMS:												
Property rates	6											
Total Property Rates		14 588	18 099	23 417	26 570	26 570	26 570	26 570	31 306	32 997	34 811	
less Revenue Foregone					7 445	7 445	7 445	7 445	3 000	3 162	3 336	
Net Property Rates		14 588	18 099	23 417	19 125	19 125	19 125	19 125	28 306	29 835	31 476	
Service charges - electricity revenue	6											
Total Service charges - electricity revenue		7 089	9 842	12 640	27 795	21 745	21 746	21 746	26 436	23 101	24 372	
less Revenue Foregone					2 650	2 650	2 650	2 650	2 650	2 793	2 947	
Net Service charges - electricity revenue		7 089	9 842	12 640	25 145	19 096	19 096	19 096	23 786	20 308	21 425	
Service charges - water revenue	6											
Total Service charges - water revenue		2 167	1 843	14 261	3 320	3 325	3 325	3 325	2 714	2 860	3 017	
less Revenue Foregone					1 446	1 446	1 446	1 446	1 446	1 524	1 608	
Net Service charges - water revenue		2 167	1 843	14 261	1 874	1 879	1 879	1 879	1 268	1 336	1 409	
Service charges - sanitation revenue												
Total Service charges - sanitation revenue		974	3 764	4 029	3 835	3 830	3 830	3 830	3 873	4 082	4 307	
less Revenue Foregone					1 272	1 272	1 272	1 272	1 272	1 341	1 414	
Net Service charges - sanitation revenue		974	3 764	4 029	2 563	2 558	2 558	2 558	2 601	2 741	2 892	
Service charges - refuse revenue	6											
Total refuse removal revenue		867	2 787	3 468	2 537	2 483	2 483	2 483	2 607	2 748	2 899	
Total landfill revenue												
less Revenue Foregone					1 330	1 330	1 330	1 330	1 397	1 472	1 553	
Net Service charges - refuse revenue		867	2 787	3 468	1 207	1 153	1 153	1 153	1 210	1 276	1 346	
Other Revenue by source												
Fuel levy	3	18 465	1 598	37 211	1 537	1 464	1 464	1 464	554	584	616	
Other revenue	1	18 465	1 598	37 211	1 537	1 464	1 464	1 464	554	584	616	
Total 'Other' Revenue		18 465	1 598	37 211	1 537	1 464	1 464	1 464	554	584	616	
EXPENDITURE ITEMS:												
Employee related costs												
Salaries and Wages	2	26 394	32 143	42 886	50 506	48 486	48 486	48 486	54 771	57 729	60 904	
Contributions to UIF, pensions, medical aid		6 365	8 511	10 902	10 665	11 870	11 870	11 870	11 452	12 070	12 734	
Travel, motor car, accom; & other allowances		584	1 506	2 602	7 139	7 172	7 172	7 172	6 638	6 997	7 381	
Housing benefits and allowances				68	67	72	72	72	79	83	87	
Overtime				2 431	1 421	2 089	2 089	2 089	2 267	2 389	2 521	
Performance bonus		897	830	2 143	1 458							
Long service awards		703	152	143	231	231	231	231	251	265	280	
Payments in lieu of leave			3 680	1 393	1 030	1 082	1 082	1 082	1 115	1 175	1 240	
Post-retirement benefit obligations	4											
sub-total	5	34 943	46 821	62 567	72 516	71 000	71 000	71 000	76 573	80 708	85 147	
Less: Employees costs capitalised to PPE	1	34 943	46 821	62 567	72 516	71 000	71 000	71 000	76 573	80 708	85 147	
Total Employee related costs												

Table SA2 - Matrix financial performance – revenue source & expenditure type

MP301 Albert Luthuli - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote1 - Planning and Economic Development	Vote2 - Corporate Services	Vote3 - Community Services	Vote4 - Budget & Treasury	Vote5 - Public Safety	Vote6 - Technical Services	Vote7 - Executive and Council	Vote8 - Council Administration	Example 9 - Vote9	Example 10 - Vote10	Example 11 - Vote11	Example 12 - Vote12	Example 13 - Vote13	Example 14 - Vote14	Example 15 - Vote15	Total
R thousand	1																
Revenue By Source																	
Property rates					28 306												28 306
Property rates - penalties & collection charges																	-
Service charges - electricity revenue							23 786										23 786
Service charges - water revenue							1 267										1 267
Service charges - sanitation revenue							2 601										2 601
Service charges - refuse revenue				1 210													1 210
Service charges - other																	-
Rental of facilities and equipment			427	48													474
Interest earned - external investments					3 250												3 250
Interest earned - outstanding debtors					6 109												6 109
Dividends received																	-
Fines						145											145
Licences and permits						1 435											1 435
Agency services																	-
Other revenue		125	264	155	165												709
Transfers recognised - operational					143 031		10 147										153 178
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		125	691	1 412	180 861	1 580	37 802	-	-	-	-	-	-	-	-	-	222 471
Expenditure By Type																	
Employee related costs		4 726	9 133	12 873	9 685	7 194	27 255	2 832	3 901								77 600
Remuneration of councillors								13 364									13 364
Debt impairment																	-
Depreciation & asset impairment								3 000									3 000
Finance charges																	-
Bulk purchases							24 813										24 813
Other materials		19	1 203	173	83	457	8 300	352	13								10 600
Contracted services		1 490	1 500	833	3 050	4 663	5 534	-									17 069
Transfers and grants																	-
Other expenditure		4 938	10 199	5 823	17 218	5 882	16 286	12 722	2 960								76 026
Loss on disposal of PPE																	-
Total Expenditure		11 173	22 035	19 702	30 036	18 195	82 187	32 270	6 874	-	-	-	-	-	-	-	222 471
Surplus/(Deficit)		(11 048)	(21 344)	(18 289)	150 825	(16 615)	(44 385)	(32 270)	(6 874)	-	-	-	-	-	-	-	(0)
Transfers recognised - capital																	-
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		(11 048)	(21 344)	(18 289)	150 825	(16 615)	(44 385)	(32 270)	(6 874)	-	-	-	-	-	-	-	(0)

Table SA3 - Supporting detail to budgeted financial position

MP301 Albert Luthuli - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days				44 219	46 872	36 872	37 790	37 790	36 000	39 600	43 560
Other current investments > 90 days		21 040	1 560		5 790	5 790	5 790	5 790	7 500	8 250	9 075
Total Call investment deposits	2	21 040	1 560	44 219	52 662	42 662	43 580	43 580	43 500	47 850	52 635
Consumer debtors											
Consumer debtors		105 558	137 137	170 939	190 000	190 000	190 000	190 000	165 000	154 000	135 000
Less: Provision for debt impairment		(69 264)	(131 121)	(136 750)	(136 750)	(136 750)	(136 750)	(136 750)	(136 750)	(136 750)	(136 750)
Total Consumer debtors	2	36 293	6 016	34 189	53 250	53 250	53 250	53 250	28 250	17 250	(1 750)
Debt impairment provision											
Balance at the beginning of the year		(49 125)	(69 264)	(131 121)	(136 749)	(136 749)	(136 749)	(136 749)	(142 715)	(159 615)	(168 815)
Contributions to the provision		(20 140)	(61 857)	(5 628)	(5 966)	(5 966)	(5 966)	(5 966)	(16 900)	(9 200)	(7 340)
Bad debts written off											
Balance at end of year		(69 264)	(131 121)	(136 749)	(142 715)	(142 715)	(142 715)	(142 715)	(159 615)	(168 815)	(176 155)
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		261 576	500 766	540 996	573 456	573 456	573 456	573 456	595 000	620 456	715 000
Leases recognised as PPE											
Less: Accumulated depreciation			18 225	36 940	55 165	55 165	55 165	55 165	73 391	94 500	125 000
Total Property, plant and equipment (PPE)	2	261 576	482 541	504 056	518 290	518 290	518 290	518 290	521 609	525 956	590 000
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		107	57	-							
Total Current liabilities - Borrowing		107	57	-	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		15 813	25 590	25 214	32 400	32 400	32 400	32 400	18 480	16 500	12 783
Unspent conditional transfers		13 717	8 026	24 759	-						
VAT		(7 382)	(6 169)	-							
Total Trade and other payables	2	22 149	27 446	49 973	32 400	32 400	32 400	32 400	18 480	16 500	12 783
Non current liabilities - Borrowing											
Borrowing											
Finance leases (including PPP asset element)		176	119	113							
Total Non current liabilities - Borrowing	4	176	119	113	-	-	-	-	-	-	-
Provisions - non-current											
Retirement benefits											
List other major provision items											
Refuse landfill site rehabilitation											
Other				2 231	3 424	3 424	3 424	3 424	4 569	6 496	7 947
Total Provisions - non-current		-	-	2 231	3 424	3 424	3 424	3 424	4 569	6 496	7 947
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		43 721	289 955	494 856	494 856	494 856	494 856	494 856	494 856	502 314	515 294
GRAP adjustments		259 361	-								
Restated balance		303 083	289 955	494 856	494 856	494 856	494 856	494 856	494 856	502 314	515 294
Surplus/(Deficit)		27 862	(24 817)	67 339	0	0	0	0	(0)	(0)	(0)
Appropriations to Reserves		(13 018)	(7 767)						7 459	12 980	13 420
Transfers from Reserves		-	-								
Depreciation offsets		-	228 464								
Other adjustments		48	(3 997)								
Accumulated Surplus/(Deficit)	1	317 975	481 837	562 195	494 856	494 856	494 856	494 856	502 314	515 294	528 713
Reserves											
Housing Development Fund											
Capital replacement		13 018	20 785								
Capitalisation		-	-								
Government grant		-	-								
Donations and public contributions		-	-								
Self-insurance		-	-								
Other reserves (list)		(5 214)	-	32 629	32 629	32 629	32 629	32 629			
Revaluation		-	10								
Total Reserves	2	7 804	20 795	32 629	32 629	32 629	32 629	32 629	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	325 779	502 632	594 824	527 484	527 484	527 484	527 484	502 314	515 294	528 713
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services											
2010 World Cup											

MP301 Albert Luthuli - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

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Table SA5 - Reconciliation of IDP strategic objectives and operating expenditure

MP301 Albert Luthuli - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
Sustainable and Economical Monetary Management	Financial viability	1	23 611	90 238	20 946	27 291	29 210	29 210	30 788	32 420	34 203
Local Economic Development	Economic Growth and Development		3 443	4 380	4 828	10 355	7 029	7 029	11 173	11 765	12 412
Municipal Transformation and Organisational Development	Good Corporate Governance		8 788	11 745	10 987	13 412	15 809	15 809	22 035	23 471	24 479
Good governance and public participation	Good Corporate Governance		18 971	20 368	20 915	35 776	33 826	33 826	38 101	40 070	42 324
Basic Service delivery	Service Delivery		77 664	89 336	103 995	124 287	109 967	109 967	120 374	126 754	133 954
		1	132 476	216 067	161 670	211 120	195 841	195 841	222 471	234 480	247 373

Table SA6 - Reconciliation of IDP strategic objectives and capital expenditure

MP301 Albert Luthuli - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand												
Sustainable and Economical Monetary Management	Financial viability	FV1		602	253	420	1 778	1 716	1 716	257	447	471
Local Economic Development	Economic Growth and Development	EG1		186	26	10	190	20	20	200	211	222
Municipal Transformation and Organisational Development	Good Corporate Governance	GC1		1 695	1 408	803	544	704	704	4 172	4 397	4 639
Good governance and public participation	Basic Service Delivery	GC2		28 419	26 099	8 228	27 196	27 958	27 958	122 136	128 732	135 812
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
		Q										
			1	30 901	27 785	9 461	29 708	30 398	30 398	126 765	133 786	141 145

Table SA8 - Performance indicators and benchmarks

MP301 Albert Luthuli - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<u>Borrowing Management</u>											
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	10.9%	6.1%	10.0%	120.3%	120.3%	120.3%	120.3%	0.0%	0.0%	0.0%
Gearing	Long Term Borrowing/ Funds & Reserves	2.3%	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.8	0.4	1.9	3.1	2.8	2.9	2.9	3.4	3.2	2.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.8	0.4	1.9	3.1	2.8	2.9	2.9	3.4	3.2	2.9
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.1	0.9	1.6	1.4	1.4	1.4	2.2	2.4	3.0
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		234.1%	382.6%	0.0%	0.0%	0.0%	0.0%	95.4%	115.7%	116.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	27.0%	5.6%	24.1%	0.0%	27.2%	27.2%	27.2%	12.7%	7.5%	-0.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
<u>Funding of Provisions</u>											
Provisions not funded - %	Unfunded Provs./Total Provisions										
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source										
Employee costs	Employee costs/(Total Revenue - capital revenue)	21.8%	24.5%	27.3%	34.3%	36.3%	36.3%	36.3%	34.4%	35.1%	35.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	21.3%	25.3%	31.3%	38.8%	41.2%	41.2%		39.5%	40.3%	40.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	9.5%	8.0%	1.4%	1.5%	1.5%	1.5%	1.3%	1.4%	1.4%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	11.1	15.7	--	--	--	--	--	--	--	--
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	139.9%	28.9%	94.6%	0.0%	120.2%	120.2%	120.2%	49.0%	30.8%	-3.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(2.6)	(3.3)	42.9	44.8	41.6	41.6	41.6	50.8	94.2	136.4

Table SA9 - Social, economic and demographic statistic assumptions

MP301 Albert Luthuli - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	1996 Census	2001 Census	2007 Survey	2007/8	2008/9	2009/10	Current Year 2010/11	2011/12 Medium Term Revenue & Expenditure Framework		
Demographics											
Population				194	194	194	194	194	194	194	194
Females aged 5 - 14				27	27	27	27	27	27	27	27
Males aged 5 - 14				26	26	26	26	26	26	26	26
Females aged 15 - 34				35	35	35	35	35	35	35	35
Males aged 15 - 34				32	32	32	32	32	32	32	32
Unemployment											
Household income (households) (1.)											
None				68 735	68 735	68 735	68 735	68 735	68 735	68 735	68 735
R1 - R4800				33 649	33 649	33 649	33 649	33 649	33 649	33 649	33 649
R4800 - R9600				4 744	4 744	4 744	4 744	4 744	4 744	4 744	4 744
Poverty profiles (2.)											
Insert description											
Household demographics (000)											
Number of people in municipal area				194 083	194 083	194 083	194 083	194 083	194 083	194 083	194 083
Number of poor people in municipal area											
Number of households in municipal area				46 036	46 036	46 036	46 036	46 036	46 036	46 036	46 036
Number of poor households in municipal area											
Definition of poor household (R per month)											
Housing statistics (3.)											
Formal				42 912	42 912	42 912	42 912	42 912	42 912	42 912	42 912
Informal				3 124	3 124	3 124	3 124	3 124	3 124	3 124	3 124
Total number of households		-	-	46 036	46 036	46 036	46 036	46 036	46 036	46 036	46 036
Dwellings provided by municipality (4.)											
Dwellings provided by province/s											
Dwellings provided by private sector (5.)											
Total new housing dwellings		-	-	-	-	-	-	-	-	-	-
Economic (6.)											
Inflation/inflation outlook (CPIX)											
Interest rate - borrowing											
Interest rate - investment											
Remuneration increases											
Consumption growth (electricity)											
Consumption growth (water)											
Collection rates (7.)											
Property tax/service charges											
Rental of facilities & equipment											
Interest - external investments											
Interest - debtors											
Revenue from agency services											

Table SA10 - Funding measurement

MP301 Albert Luthuli Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(12 196)	(20 469)	343 503	451 514	416 479	416 479	416 479	548 472	1 082 170	1 657 221
Cash + investments at the yr end less applications - R'000	18(1)b	2	91 588	26 631	(6 899)	#VALUE!	64 712	65 630	65 630	52 774	56 514	47 422
Cash year end/monthly employee/supplier payments	18(1)b	3	(2.6)	(3.3)	42.9	44.8	41.6	41.6	41.6	49.9	93.5	135.7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	27 862	203 647	67 339	0	0	0	0	(0)	(0)	(0)
Service charge rev % change - macro CPIIX target exclusive	18(1)a.(2)	5	N.A.	13.0%	53.1%	(18.4%)	(19.5%)	(6.0%)	(6.0%)	14.2%	(0.6%)	(0.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a.(2)	6	210.7%	300.3%	0.0%	90.5%	91.4%	91.4%	91%	71.7%	98.0%	86.0%
Debt impairment expense as a % of total billable revenue	18(1)a.(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c.19	8	50.2%	58.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(75.4%)	417.6%	(3.4%)	0.0%	0.0%	0.0%	(46.9%)	(38.9%)	(110.1%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.8%	1.5%	1.1%	2.4%	2.1%	2.1%	2.0%	2.1%	2.2%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	39.6%	0.0%	114.4%	39.4%	39.4%	101.0%	27.7%	27.7%	0.0%

Table SA14 - Household bills

MP301 Albert Luthuli - Supporting Table SA14 Household bills

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12 % incr.	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Rand/cent											
Monthly Account for Household - 'Large' Household	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total large household bill:		-	-	-	-	-	-	-	-	-	-
% increase/decrease											
Monthly Account for Household - 'Small' Household	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/decrease											
Monthly Account for Household - 'Small' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/decrease											

Table SA15 - Investment particulars by type

MP301 Albert Luthuli - Supporting Table SA15 Investment particulars by type

Investment type		Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand											
Parent municipality											
Securities - National Government		1									
Listed Corporate Bonds											
Deposits - Bank			34 792	38 441	44 219	52 662	36 872	37 790	33 017	36 319	39 951
Deposits - Public Investment Commissioners											
Deposits - Corporation for Public Deposits											
Bankers Acceptance Certificates											
Negotiable Certificates of Deposit - Banks											
Guaranteed Endowment Policies (sinking)											
Repurchase Agreements - Banks											
Municipal Bonds											
Municipality sub-total			34 792	38 441	44 219	52 662	36 872	37 790	33 017	36 319	39 951
Entities											
Securities - National Government											
Listed Corporate Bonds											
Deposits - Bank											
Deposits - Public Investment Commissioners											
Deposits - Corporation for Public Deposits											
Bankers Acceptance Certificates											
Negotiable Certificates of Deposit - Banks											
Guaranteed Endowment Policies (sinking)											
Repurchase Agreements - Banks											
Entities sub-total				-	-	-	-	-	-	-	-
Consolidated total:			34 792	38 441	44 219	52 662	36 872	37 790	33 017	36 319	39 951

Table SA16 - Investment particulars by maturity

MP301 Albert Luthuli - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	1	Yrs/Months			Rand thousand	
Parent municipality						
Sanlam		01-Jul-02	Fund	No maturity date	1 740	174
Rand Merchant Bank			RMB Money Market	25 May 2002	1 831	183
Stanlib		29-Jul-02	Money Market	No maturity date	1 700	170
Stanlib		27-Nov-03	Stanlib Extra Income	No maturity date	24 745	2 474
Sanlam			Listed Investment			
Municipality sub-total					30 016	3 002
Entities						
Entities sub-total					-	-
TOTAL INVESTMENTS AND INTEREST	1				30 016	3 002

Table SA17 - Borrowing

MP301 Albert Luthuli - Supporting Table SA17 Borrowing

Borrowing - Categorized by type R thousand	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-

Table SA18 - Transfer and grant receipts

MP301 Albert Luthuli - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		63 183	85 011	116 791	137 614	133 107	133 107	150 284	165 523	173 860
Local Government Equitable Share		57 774	72 980	95 984	119 231	119 231	119 231	141 281	156 510	166 510
Finance Management		652	1 250	2 750	3 000	3 000	3 000	1 250	1 250	1 500
Municipal Systems Improvement		1 484	735	735	750	750	750	790	800	850
Water Services Operating Subsidy		2 942	10 046	17 322	14 633	10 126	10 126	6 963	6 963	5 000
Other transfers/grants LGSETA		331	-							
Provincial Government:		-	-	-	-	330	330	-	-	-
Health subsidy						330	330			
Other transfers/grants LGSETA										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	63 183	85 011	116 791	137 614	133 437	133 437	150 284	165 523	173 860
Capital Transfers and Grants										
National Government:		39 030	38 542	57 928	58 000	63 000	63 000	88 299	91 906	110 728
Municipal Infrastructure Grant (MIG)		34 207	36 542	45 373	54 630	54 630	54 630	63 670	77 416	81 674
		-	-	-						
Public Transport and Systems		-	-	-	870	870	870	966		
Regional Bulk Infrastructure		-	-	-		5 000	5 000	4 045		12 000
		-	-	-						
Department of Mineral and Energy		4 823	2 000	12 555	2 500	2 500	2 500	19 618	14 490	17 054
Provincial Government:		-	5 947	4 960	-	-	-	-	-	-
Department of provincial and Local Government			5 947	4 960						
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	39 030	44 489	62 888	58 000	63 000	63 000	88 299	91 906	110 728
TOTAL RECEIPTS OF TRANSFERS & GRANTS		102 213	129 500	179 679	195 614	196 437	196 437	238 583	257 429	284 588

Table SA19 - Expenditure on transfers and grant programme

MP301 Albert Luthuli - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		60 430	84 870	116 791	137 614	(4 507)	133 107	150 284	165 523	173 860
Local Government Equitable Share		57 774	72 980	95 984	119 231		119 231	141 281	156 510	166 510
Finance Management		393	1 047	2 750	3 000		3 000	1 250	1 250	1 500
Municipal Systems Improvement		1 919	925	735	750		750	790	800	850
Water Services Operating Subsidy		14	9 918	17 322	14 633	(4 507)	10 126	6 963	6 963	5 000
Other transfers/grants LGSETA		331								
Provincial Government:		-	-	-	-	330	-	-	-	-
Health subsidy						330				
Other transfers/grants LGSETA										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total operating expenditure of Transfers and Grants:		60 430	84 870	116 791	137 614	(4 177)	133 107	150 284	165 523	173 860
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	58 000	5 000	63 000	88 299	91 906	110 728
Municipal Infrastructure Grant (MIG)					54 630		54 630	63 670	77 416	81 674
					870		870			
Public Transport and Systems					-			966		
Regional Bulk Infrastructure					-	5 000	5 000	4 045		12 000
					-					
Department of Mineral and Energy					2 500		2 500	19 618	14 490	17 054
Provincial Government:		-	-	-	-	-	-	-	-	-
Department of provincial and Local Government										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total capital expenditure of Transfers and Grants		-	-	-	58 000	5 000	63 000	88 299	91 906	110 728
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		60 430	84 870	116 791	195 614	823	196 107	238 583	257 429	284 588

Table SA20 - Reconciliation of transfers, grant receipts and unspent funds

MP301 Albert Luthuli - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		2 120	4 873	1 143	1 420	1 420	1 420			
Current year receipts		63 183	85 011	3 485	137 614	133 107	133 107	150 284	165 523	173 860
Conditions met - transferred to revenue		60 430	88 741	3 208	139 034	134 527	134 527	150 284	165 523	173 860
Conditions still to be met - transferred to liabilities		4 873	1 143	1 420						
Provincial Government:										
Balance unspent at beginning of the year		–	–	868	868	868	868			
Current year receipts		5 947	5 137							
Conditions met - transferred to revenue		5 947	4 269	–	868	868	868	–	–	–
Conditions still to be met - transferred to liabilities		–	868	868						
District Municipality:										
Balance unspent at beginning of the year		41	41	41						
Current year receipts		–	–	41	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	41	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		41	41							
Other grant providers:										
Balance unspent at beginning of the year		–	–							
Current year receipts		–	110							
Conditions met - transferred to revenue		–	110	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		66 378	93 119	3 249	139 902	135 395	135 395	150 284	165 523	173 860
Total operating transfers and grants - CTBM	2	4 913	2 052	2 288	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		8 337	4 432	5 624						
Current year receipts		39 030	38 542	45 373	58 000	63 000	63 000	88 299	91 906	110 728
Conditions met - transferred to revenue		42 935	37 350	31 861	58 000	63 000	63 000	88 299	91 906	110 728
Conditions still to be met - transferred to liabilities		4 432	5 624	19 136						
Provincial Government:										
Balance unspent at beginning of the year		–	60	390						
Current year receipts		175	330							
Conditions met - transferred to revenue		115	–	191	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		60	390	200						
District Municipality:										
Balance unspent at beginning of the year		2 792	2 841	2 841						
Current year receipts		84	–							
Conditions met - transferred to revenue		35	–	2 841	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		2 841	2 841							
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		43 084	37 350	34 892	58 000	63 000	63 000	88 299	91 906	110 728
Total capital transfers and grants - CTBM	2	7 333	8 855	19 336	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		109 462	130 469	38 141	197 902	198 395	198 395	238 583	257 429	284 588
TOTAL TRANSFERS AND GRANTS - CTBM		12 246	10 907	21 624	–	–	–	–	–	–

Table SA21 - Transfers and grants made

The municipality doesnot not transfer any grants

MP301 Albert Luthuli - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Transfers to other municipalities										
<i>Insert description</i>	1									
TOTAL TRANSFERS TO MUNICIPALITIES:		-	-	-	-	-	-	-	-	-
Transfers to Entities/Other External Mechanisms										
<i>Insert description</i>	2									
TOTAL TRANSFERS TO ENTITIES/EMS'		-	-	-	-	-	-	-	-	-
Transfers to other Organs of State										
<i>Insert description</i>	3									
TOTAL TRANSFERS TO OTHER ORGANS OF STATE:		-	-	-	-	-	-	-	-	-
Grants to Organisations/ Groups of Individuals										
<i>Insert description</i>	4									
TOTAL GRANTS TO ORGANISATIONS/GROUPS OF INDIVIDUALS:		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	5	-	-	-	-	-	-	-	-	-

Table SA22 - Summary councillor and staff benefits

MP301 Albert Luthuli - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Salary		4 500	4 903	5 464	6 842	6 842	6 842	7 457	7 860	8 292
Pension Contributions		1 339	1 612	897	1 026	1 026	1 026	1 119	1 179	1 244
Medical Aid Contributions		208	200	84	138	138	138	151	159	168
Motor vehicle allowance		1 760	2 058	2 100	2 669	2 669	2 669	2 909	3 066	3 235
Cell phone allowance		-	-	463	-	-	-	-	-	-
Housing allowance		-	-	-	-	-	-	-	-	-
Other benefits or allowances		401	453	-	678	-	-	-	-	-
In-kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		8 208	9 226	9 007	11 353	10 675	10 675	11 636	12 264	12 939
% increase	4		12.4%	(2.4%)	26.0%	(6.0%)	-	9.0%	5.4%	5.5%
Senior Managers of the Municipality	2									
Salary		2 125	2 217	2 888	3 686	3 686	3 686	4 018	4 235	4 468
Pension Contributions		456	558	563	660	660	660	719	758	800
Medical Aid Contributions		-	-	141	115	115	115	126	133	140
Motor vehicle allowance		496	546	501	517	517	517	564	594	627
Cell phone allowance		-	-	-	-	-	-	-	-	-
Housing allowance		-	-	-	-	-	-	-	-	-
Performance Bonus		212	-	-	303	303	303	331	348	368
Other benefits or allowances		-	-	-	-	-	-	-	-	-
In-kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		3 289	3 321	4 093	5 282	5 282	5 282	5 758	6 069	6 402
% increase	4		1.0%	23.3%	29.1%	-	-	9.0%	5.4%	5.5%
Other Municipal Staff										
Basic Salaries and Wages		13 815	24 269	39 998	46 942	46 942	46 942	51 167	53 930	56 896
Pension Contributions		4 495	5 909	10 198	7 818	7 818	7 818	8 522	8 982	9 476
Medical Aid Contributions		-	-	-	1 718	1 718	1 718	1 873	1 974	2 082
Motor vehicle allowance		2 217	88	2 101	2 506	2 506	2 506	2 731	2 879	3 037
Cell phone allowance		-	-	-	-	-	-	-	-	-
Housing allowance		(55)	-	68	-	-	-	-	-	-
Overtime		1 098	-	2 431	-	-	-	-	-	-
Performance Bonus		463	-	-	594	60	60	65	69	73
Other benefits or allowances		-	1 600	3 678	5 443	5 443	5 443	5 933	6 253	6 597
In-kind benefits		660	4 023	-	231	231	231	251	265	280
Sub Total - Other Municipal Staff		22 694	35 890	58 473	65 252	64 718	64 718	70 543	74 352	78 441
% increase	4		58.1%	62.9%	11.6%	(0.8%)	-	9.0%	5.4%	5.5%
Total Parent Municipality		34 191	48 436	71 573	81 887	80 675	80 675	87 936	92 685	97 782
			41.7%	47.8%	14.4%	(1.5%)	-	9.0%	5.4%	5.5%
Board Members of Entities										
Salary										
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowances										
Housing allowance										
Board Fees										
Other benefits and allowances										
In-kind benefits										
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Salary										
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowances										
Housing allowance										
Performance Bonus										
Other benefits or allowances										
In-kind benefits										
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowances										
Housing allowance										
Overtime										
Performance Bonus										
Other benefits or allowances										
In-kind benefits										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		34 191	48 436	71 573	81 887	80 675	80 675	87 936	92 685	97 782
% increase	4		41.7%	47.8%	14.4%	(1.5%)	-	9.0%	5.4%	5.5%
TOTAL MANAGERS AND STAFF	5	25 983	39 210	62 566	70 534	70 000	70 000	76 300	80 421	84 844

MP301 Albert Luthuli - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

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Table SA24 - Summary of personnel numbers

MP301 Albert Luthuli - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2009/10			Current Year 2010/11			Budget Year 2011/12		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		44		44	44		44	44		44
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	7		7	5	–	5	5	–	5
Other Managers	7	14		14	18	6	12	18	6	12
Professionals		–	–	–	–	–	–	–	–	–
Finance		37	37		6	6	–	6	6	–
Spatial/town planning		5	5		1	1	–	1	1	–
Information Technology		2			–	–	–	–	–	–
Roads		–			–	–	–	–	–	–
Electricity		–			–	–	–	–	–	–
Water		–			–	–	–	–	–	–
Sanitation		–			–	–	–	–	–	–
Refuse		–			–	–	–	–	–	–
Other		73			–	–	–	–	–	–
Technicians		–	–	–	–	–	–	–	–	–
Finance		–	–		–	–	–	–	–	–
Spatial/town planning		–	–		1	1	–	1	1	–
Information Technology		–	–		1	1	–	1	1	–
Roads		44	44		3	2	1	3	2	1
Electricity		12	12		2	2	–	2	2	–
Water		17	17		1	1	–	1	1	–
Sanitation		14	14		–	–	–	–	–	–
Refuse		26	26		–	–	–	–	–	–
Other		49	49		–	–	–	–	–	–
Clerks (Clerical and administrative)		4	4		82	77	5	82	77	5
Service and sales workers		–	–		19	19	–	19	19	–
Skilled agricultural and fishery workers		–	–		–	–	–	–	–	–
Craft and related trades		–	–		15	15	–	15	15	–
Plant and Machine Operators		–	–		33	33	–	33	33	–
Elementary Occupations		–	–		145	145	–	145	145	–
TOTAL PERSONNEL NUMBERS		348	208	65	376	309	67	376	309	67
% increase					–	–	–	–	–	–
Total municipal employees headcount	6									
Finance personnel headcount	8									
Human Resources personnel headcount	8									

Table SA25 - Budget monthly revenue and expenditure

MP301 Albert Luthuli - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand																
Revenue By Source																
Property rates		2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	28 306	29 835	31 476
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		1 982	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	5 748	23 786	20 308	21 425
Service charges - water revenue		106	106	106	106	106	106	106	106	106	106	106	106	1 268	1 336	1 409
Service charges - sanitation revenue		217	217	217	217	217	217	217	217	217	217	217	217	2 601	2 741	2 892
Service charges - refuse revenue		101	101	101	101	101	101	101	101	101	101	101	101	1 210	1 276	1 346
Service charges - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		40	40	40	40	40	40	40	40	40	40	40	40	474	500	527
Interest earned - external investments		271	271	271	271	271	271	271	271	271	271	271	271	3 250	3 426	3 614
Interest earned - outstanding debtors		509	509	509	509	509	509	509	509	509	509	509	509	6 109	6 439	6 793
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines		12	12	12	12	12	12	12	12	12	12	12	12	145	153	161
Licences and permits		120	120	120	120	120	120	120	120	120	120	120	120	1 435	1 513	1 596
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	153 332	161 612	170 501
Other revenue		46	46	46	46	46	46	46	46	46	46	46	46	554	584	616
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contribution)		18 539	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	22 305	222 471	229 722	242 356
Expenditure By Type																
Employee related costs		6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	76 573	80 708	85 147
Remuneration of councillors		1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	13 364	14 086	14 861
Debt impairment		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment		250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 162	3 336
Finance charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases		2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	24 813	26 152	27 591
Other materials		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services		1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	17 069	17 991	18 980
Transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		7 304	6 928	6 928	6 928	6 928	6 928	6 928	6 928	6 928	6 928	6 928	11 070	87 653	87 623	92 443
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		18 539	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	22 305	222 471	229 722	242 357
Surplus/(Deficit)		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Table SA26 - Budget monthly revenue and expenditure (municipal vote)

MP301 Albert Luthuli - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand																
Revenue by Vote																
Vote1 - Planning and Economic Development		10	10	10	10	10	10	10	10	10	10	10	10	125	132	139
Vote2 - Corporate Services		72	72	72	72	72	72	72	72	72	72	72	72	864	910	960
Vote3 - Community Services		118	118	118	118	118	118	118	118	118	118	118	118	1 412	1 487	1 569
Vote4 - Budget & Treasury		14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	179 302	188 805	199 189
Vote5 - Public Safety		141	141	141	141	141	141	141	141	141	141	141	141	1 693	1 783	1 881
Vote6 - Technical Services		3 256	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	7 023	39 075	41 364	43 639
Vote7 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote8 - Council Administration														-	-	-
Example 9 - Vote9														-	-	-
Example 10 - Vote10														-	-	-
Example 11 - Vote11														-	-	-
Example 12 - Vote12														-	-	-
Example 13 - Vote13														-	-	-
Example 14 - Vote14														-	-	-
Example 15 - Vote15														-	-	-
Total Revenue by Vote		18 539	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	22 306	222 471	234 481	247 377
Expenditure by Vote to be appropriated																
Vote1 - Planning and Economic Development		931	931	931	931	931	931	931	931	931	931	931	931	11 173	11 765	12 412
Vote2 - Corporate Services		1 836	1 836	1 836	1 836	1 836	1 836	1 836	1 836	1 836	1 836	1 836	1 836	22 035	23 471	24 479
Vote3 - Community Services		1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	19 769	20 817	21 962
Vote4 - Budget & Treasury		2 566	2 189	2 189	2 189	2 189	2 189	2 189	2 189	2 189	2 189	2 189	6 331	30 788	32 420	34 203
Vote5 - Public Safety		1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	18 195	19 159	20 213
Vote6 - Technical Services		6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	82 410	86 777	91 779
Vote7 - Executive and Council		486	486	486	486	486	486	486	486	486	486	486	486	5 831	6 140	6 478
Vote8 - Council Administration		2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	32 270	33 930	35 846
Example 9 - Vote9													-	-	-	-
Example 10 - Vote10														-	-	-
Example 11 - Vote11														-	-	-
Example 12 - Vote12														-	-	-
Example 13 - Vote13														-	-	-
Example 14 - Vote14														-	-	-
Example 15 - Vote15														-	-	-
Total Expenditure by Vote		18 539	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	22 305	222 471	234 480	247 373
Surplus/(Deficit) before assoc.		0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	1	0	1	4
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	1	0	1	

Table SA27 - Budget monthly revenue and expenditure by classification

MP301 Albert Luthuli - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue - Standard																
Governance and administration		15 007	15 007	15 007	15 007	15 007	15 007	15 007	15 007	15 007	15 007	15 007	15 007	180 083	189 628	200 057
Executive and council														—	—	—
Budget and treasury office		14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	179 302	188 805	199 189
Corporate services		65	65	65	65	65	65	65	65	65	65	65	65	781	823	868
Community and public safety		152	152	152	152	152	152	152	152	152	152	152	152	1 824	1 870	1 973
Community and social services		7	7	7	7	7	7	7	7	7	7	7	7	83	87	92
Sport and recreation		4	4	4	4	4	4	4	4	4	4	4	4	48	—	—
Public safety		141	141	141	141	141	141	141	141	141	141	141	141	1 693	1 783	1 881
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		390	390	390	390	390	390	390	390	390	390	390	390	4 674	4 922	5 192
Planning and development		390	390	390	390	390	390	390	390	390	390	390	390	4 674	4 922	5 192
Road transport		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		2 991	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	6 756	35 890	37 792	39 871
Electricity		1 982	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	5 748	23 786	25 047	26 425
Water		686	686	686	686	686	686	686	686	686	686	686	686	8 230	8 667	9 143
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		323	323	323	323	323	323	323	323	323	323	323	323	3 873	4 079	4 303
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue - Standard		18 539	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	22 305	222 471	234 212	247 093
Expenditure - Standard																
Governance and administration		7 194	6 818	6 818	6 818	6 818	6 818	6 818	6 818	6 818	6 818	6 818	10 960	86 329	90 904	95 904
Executive and council		2 970	2 970	2 970	2 970	2 970	2 970	2 970	2 970	2 970	2 970	2 970	2 970	35 637	37 526	39 590
Budget and treasury office		2 566	2 189	2 189	2 189	2 189	2 189	2 189	2 189	2 189	2 189	2 189	2 189	6 331	30 788	32 420
Corporate services		1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	1 659	19 903	20 958	22 111
Community and public safety		2 473	2 473	2 473	2 473	2 473	2 473	2 473	2 473	2 473	2 473	2 473	2 473	29 671	31 243	32 961
Community and social services		556	556	556	556	556	556	556	556	556	556	556	556	6 669	7 022	7 409
Sport and recreation		401	401	401	401	401	401	401	401	401	401	401	401	4 807	5 061	5 340
Public safety		1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	18 195	19 159	20 213
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		2 241	2 241	2 241	2 241	2 241	2 241	2 241	2 241	2 241	2 241	2 241	2 241	26 897	28 322	29 880
Planning and development		931	931	931	931	931	931	931	931	931	931	931	931	11 173	11 765	12 412
Road transport		619	619	619	619	619	619	619	619	619	619	619	619	7 430	7 824	8 254
Environmental protection		691	691	691	691	691	691	691	691	691	691	691	691	8 294	8 733	9 213
Trading services		5 486	5 486	5 486	5 486	5 486	5 486	5 486	5 486	5 486	5 486	5 486	5 486	65 829	69 318	73 130
Electricity		3 159	3 159	3 159	3 159	3 159	3 159	3 159	3 159	3 159	3 159	3 159	3 159	37 911	39 921	42 116
Water		1 923	1 923	1 923	1 923	1 923	1 923	1 923	1 923	1 923	1 923	1 923	1 923	23 076	24 299	25 635
Waste water management		403	403	403	403	403	403	403	403	403	403	403	403	4 842	5 099	5 379
Waste management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other		1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	13 746	14 425	15 218
Total Expenditure - Standard		18 539	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	22 305	222 471	234 212	247 093
Surplus/(Deficit) before assoc.		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table SA28 - Budgeted monthly capital expenditure (municipal vote)

MP301 Albert Luthuli - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Multi-year expenditure to be appropriated	1															
Vote1 - Planning and Economic Development		17	17	17	17	17	17	17	17	17	17	17	17	200	211	222
Vote2 - Corporate Services		290	290	290	290	290	290	290	290	290	290	290	290	3 483	3 671	3 873
Vote3 - Community Services		767	767	767	767	767	767	767	767	767	767	767	767	9 202	9 699	10 232
Vote4 - Budget & Treasury		21	21	21	21	21	21	21	21	21	21	21	21	257	447	471
Vote5 - Public Safety		375	375	375	375	375	375	375	375	375	375	375	375	4 500	4 743	5 004
Vote6 - Technical Services		9 036	8 203	8 203	8 203	8 203	8 203	8 203	8 203	8 203	8 203	8 203	17 370	108 435	114 290	120 576
Vote7 - Executive and Council		16	16	16	16	16	16	16	16	16	16	16	16	189	199	210
Vote8 - Council Administration		42	42	42	42	42	42	42	42	42	42	42	42	500	527	556
Example 9 - Vote9		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	10 564	9 730	9 730	9 730	9 730	9 730	9 730	9 730	9 730	9 730	9 730	18 897	126 765	133 786	141 145
Single-year expenditure to be appropriated																
Vote1 - Planning and Economic Development		17	17	17	17	17	17	17	17	17	17	17	17	200	211	222
Vote2 - Corporate Services		290	290	290	290	290	290	290	290	290	290	290	290	3 483	3 671	3 873
Vote3 - Community Services		767	308	308	308	308	308	308	308	308	308	308	5 350	9 202	9 699	10 232
Vote4 - Budget & Treasury		21	21	21	21	21	21	21	21	21	21	21	21	257	447	471
Vote5 - Public Safety		375	375	375	375	375	375	375	375	375	375	375	375	4 500	4 743	5 004
Vote6 - Technical Services		9 036	630	630	630	630	630	630	630	630	630	630	93 096	108 435	114 290	120 576
Vote7 - Executive and Council		16	16	16	16	16	16	16	16	16	16	16	16	189	199	210
Vote8 - Council Administration		42	42	42	42	42	42	42	42	42	42	42	42	500	527	556
Example 9 - Vote9		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	10 564	1 699	1 699	1 699	1 699	1 699	1 699	1 699	1 699	1 699	1 699	99 207	126 765	133 786	141 145
Total Capital Expenditure	2	21 128	11 430	11 430	11 430	11 430	11 430	11 430	11 430	11 430	11 430	11 430	118 104	253 530	267 573	282 289

Table SA29 - Budgeted monthly capital expenditure

MP301 Albert Luthuli - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		369	369	369	369	369	369	369	369	369	369	369	369	4 429	4 844	5 110
Executive and council		57	57	57	57	57	57	57	57	57	57	57	57	689	726	766
Budget and treasury office		21	21	21	21	21	21	21	21	21	21	21	21	257	447	471
Corporate services		290	290	290	290	290	290	290	290	290	290	290	290	3 483	3 671	3 873
<i>Community and public safety</i>		549	549	549	549	549	549	549	549	549	549	549	549	6 588	6 289	6 635
Community and social services		156	156	156	156	156	156	156	156	156	156	156	156	1 868	1 314	1 386
Sport and recreation		18	18	18	18	18	18	18	18	18	18	18	18	221	232	245
Public safety		375	375	375	375	375	375	375	375	375	375	375	375	4 500	4 743	5 004
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 353	1 353	1 353	1 353	1 353	1 353	1 353	1 353	1 353	1 353	1 353	1 353	16 235	17 112	18 053
Planning and development		17	17	17	17	17	17	17	17	17	17	17	17	200	211	222
Road transport		692	692	692	692	692	692	692	692	692	692	692	692	8 300	8 748	9 229
Environmental protection		645	645	645	645	645	645	645	645	645	645	645	645	7 735	8 153	8 601
<i>Trading services</i>		7 449	6 615	6 615	6 615	6 615	6 615	6 615	6 615	6 615	6 615	6 615	15 782	89 385	93 405	97 721
Electricity		2 860	2 027	2 027	2 027	2 027	2 027	2 027	2 027	2 027	2 027	2 027	11 193	34 321	36 174	38 164
Water		3 344	3 344	3 344	3 344	3 344	3 344	3 344	3 344	3 344	3 344	3 344	3 344	40 125	42 292	44 618
Waste water management		1 245	1 245	1 245	1 245	1 245	1 245	1 245	1 245	1 245	1 245	1 245	1 245	14 939	14 939	14 939
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		844	844	844	844	844	844	844	844	844	844	844	844	10 128	12 137	13 626
Total Capital Expenditure - Standard	2	10 564	9 730	9 730	9 730	9 730	9 730	9 730	9 730	9 730	9 730	9 730	18 897	126 765	133 786	141 144

Table SA30 - Budgeted monthly cash flow

MP301 Albert Luthuli - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Cash Receipts By Source													1		
Property rates	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	28 306	29 835	31 476
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	1 982	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	5 748	23 786	20 308	21 425
Service charges - water revenue	106	106	106	106	106	106	106	106	106	106	106	106	1 268	1 336	1 409
Service charges - sanitation revenue	217	217	217	217	217	217	217	217	217	217	217	217	2 601	2 741	2 892
Service charges - refuse revenue	101	101	101	101	101	101	101	101	101	101	101	101	1 210	1 276	1 346
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	40	40	40	40	40	40	40	40	40	40	40	40	474	500	527
Interest earned - external investments	271	271	271	271	271	271	271	271	271	271	271	271	3 250	3 426	3 614
Interest earned - outstanding debtors	509	509	509	509	509	509	509	509	509	509	509	509	6 109	6 439	6 793
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	12	12	12	12	12	12	12	12	12	12	12	12	145	153	161
Licences and permits	120	120	120	120	120	120	120	120	120	120	120	120	1 435	1 513	1 596
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	153 332	161 612	170 501
Other revenue	46	46	46	46	46	46	46	46	46	46	46	46	554	584	616
Cash Receipts by Source	18 539	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	22 305	222 471	229 722	242 356
Other Cash Flows by Source															
Transfer receipts - capital	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	68 681	77 416	93 674
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	24 263	23 886	23 886	23 886	23 886	23 886	23 886	23 886	23 886	23 886	23 886	28 028	291 152	307 138	336 030
Cash Payments by Type															
Employee related costs	6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	76 573	80 708	85 147
Remuneration of councillors	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	13 364	14 086	14 861
Collection costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 162	3 336
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	24 813	26 152	27 591
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	17 069	17 991	18 980
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	7 304	6 928	6 928	6 928	6 928	6 928	6 928	6 928	6 928	6 928	6 928	11 070	87 653	87 623	92 443
General expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Payments by Type	18 539	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	22 305	222 471	229 722	242 357
Other Cash Flows/Payments by Type															
Capital assets	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	68 681	77 416	93 674
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	24 263	23 886	23 886	23 886	23 886	23 886	23 886	23 886	23 886	23 886	23 886	28 028	291 152	307 138	336 031
NET INCREASE/(DECREASE) IN CASH HELD	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Cash/cash equivalents at the month/year begin:	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	(0)	(1)
Cash/cash equivalents at the month/year end:	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(1)

References

Table SA32 - List of external mechanism

MP301 Albert Luthuli - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand

Table SA33 - Contracts having future budgetary implications

MP301 Albert Luthuli - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2010/11	2011/12 Medium Term Revenue & Expenditure Framework			Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Total Contract Value
R thousand	1.3	Total	Original Budget	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Upgrading of water Schemes			15 000	14 500	21 500	–								51 000
Master Plans			18 975	13 000	24 000	22 969								78 944
Contract 3 etc														–
Total Operating Revenue Implication		–	33 975	27 500	45 500	22 969	–	–	–	–	–	–	–	129 944
Expenditure Obligation By Contract	2													
Upgrading of water Schemes			15 000	14 500	21 500									51 000
Master Plans			18 975	13 000	24 000	22 969								78 944
Contract 3 etc														–
Total Operating Expenditure Implication		–	33 975	27 500	45 500	22 969	–	–	–	–	–	–	–	129 944
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		–	33 975	27 500	45 500	22 969	–	–	–	–	–	–	–	129 944
Entities:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Entity Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–

Table SA34a - Capital expenditure on new assets

MP301 Albert Luthuli - Supporting Table SA34a Capital expenditure on new assets by asset class

Annex 2: Asset Register - Supporting Table 2: Capital Expenditure on New Assets by Asset Class										
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		14 697	9 749	30 176	82 455	125 694	126 344	79 274	83 554	88 150
Infrastructure - Road transport		–	2 005	–	650	7 800	8 450	10 300	10 856	11 453
Roads, Pavements & Bridges		–	2 005		650	7 800	8 450	10 300	10 856	11 453
Storm water										
Infrastructure - Electricity		7 935	2 808	13 024	16 392	34 056	34 056	33 420	35 225	37 162
Generation										
Transmission & Reticulation		7 935	2 808	13 024	16 392	34 056	34 056			
Street Lighting								33 420	35 225	37 162
Infrastructure - Water		5 958	4 936	3 549	31 856	36 389	36 389	8 045	8 479	8 946
Dams & Reservoirs										
Water purification										
Reticulation		5 958	4 936	3 549	31 856	36 389	36 389	8 045	8 479	8 946
Infrastructure - Sanitation		–	–	13 602	33 507	43 899	43 899	22 508	23 724	25 029
Reticulation								22 508	23 724	25 029
Sewerage purification				13 602	33 507	43 899	43 899			
Infrastructure - Other		805	–	–	50	3 550	3 550	5 000	5 270	5 560
Waste Management		805			50	3 550	3 550	5 000	5 270	5 560
Transportation	2									
Gas	3									
Other										
Community		15 887	–	–	6 553	14 784	600	500	527	556
Parks & gardens		1 886			100	600	600			
Sportsfields & stadia		–						500	527	556
Swimming pools		–								
Community halls		–								
Libraries		152								
Recreational facilities		–								
Fire, safety & emergency		287			6 453	14 184				
Security and policing		–								
Buses	7	–								
Clinics		–								
Museums & Art Galleries		–								
Cemeteries		–								
Social rental housing	8	–								
Other		13 563								
Heritage assets		317	285	–	–	–	–	–	–	–
Buildings		317	–							
Other	9	–	285							
Investment properties		–	–	–	–	–	–	–	–	–
Housing development										
Other										
Other assets		–	9 279	9 740	1 411	3 014	3 014	16 292	17 171	18 116
General vehicles		–	5 774	1 627				275	289	305
Specialised vehicles		–	–						–	–
Plant & equipment		–	97					2 787	2 938	3 099
Computers - hardware/equipment		–	627	748				2 443	2 575	2 716
Furniture and other office equipment		–	867	22				916	966	1 019
Abattoirs		–	–							
Markets		–	–							
Civic Land and Buildings		–	–							
Other Buildings		–	–							
Other Land		–	–							
Surplus Assets - (Investment or Inventory)		–	–							
Other		–	1 913	7 343	1 411	3 014	3 014	9 871	10 404	10 976
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on new assets	1	30 901	19 313	39 916	90 419	143 492	129 958	96 065	101 253	106 822
Specialised vehicles		–	–	–	–	–	–	3 521	3 711	3 915
Refuse								1 500	1 581	1 668
Fire								2 021	2 130	2 247
Conservancy										
Ambulances										

Table SA34b - Capital expenditure on existing assets

MP301 Albert Luthuli - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework			
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	
R thousand											
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure	2	14	9 918	-	33 975	11 975	11 975	30 700	32 358	34 137	
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	
Roads, Pavements & Bridges											
Storm water											
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	
Generation											
Transmission & Reticulation											
Street Lighting											
Infrastructure - Water		14	9 918	-	33 975	11 975	11 975	30 700	32 358	34 137	
Dams & Reservoirs		14	9 918		33 975	11 975	11 975	30 700	32 358	34 137	
Water purification											
Reticulation											
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	
Reticulation											
Sewerage purification											
Infrastructure - Other		-	-	-	-	-	-	-	-	-	
Waste Management											
Transportation											
Gas											
Other		3									
Community			-	1 092	-	-	-	-	-	-	-
Parks & gardens		7		1 092							
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing	8										
Other											
Heritage assets		-	-	-	-	-	-	-	-	-	
Buildings	9										
Other											
Investment properties		-	-	-	-	-	-	-	-	-	
Housing development											
Other											
Other assets		-	-	-	-	-	-	-	-	-	
General vehicles	10										
Specialised vehicles											
Plant & equipment											
Computers - hardware/equipment											
Furniture and other office equipment											
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings											
Other Land											
Surplus Assets - (Investment or Inventory)											
Other											
Agricultural assets		-	-	-	-	-	-	-	-	-	
List sub-class											
Biological assets		-	-	-	-	-	-	-	-	-	
List sub-class											
Intangibles		-	-	-	-	-	-	-	-	-	
Computers - software & programming											
Other (list sub-class)											
Total Capital Expenditure on renewal of existing assets	1	14	11 011	-	33 975	11 975	11 975	30 700	32 358	34 137	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Refuse											
Fire											
Conservancy											
Ambulances											

Table SA34c - Repairs and maintenance by asset class

MP301 Albert Luthuli - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework			
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	
R thousand											
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure	2	1 549	3 658	5 219	9 695	9 368	9 368	7 860	9 659	10 229	
Infrastructure - Road transport		289	399	938	3 127	1 950	1 950	1 950	3 321	3 517	
Roads, Pavements & Bridges		233	273	938	3 127	1 950	1 950	1 950	3 321	3 517	
Storm water		57	126								
Infrastructure - Electricity		580	2 601	2 014	3 469	4 763	4 763	3 763	3 684	3 901	
Generation		-	-								
Transmission & Reticulation		402	2 255								
Street Lighting		178	346	2 014	3 469	4 763	4 763	3 763	3 684	3 901	
Infrastructure - Water		680	659	2 119	2 423	2 231	2 231	1 815	1 936	2 050	
Dams & Reservoirs		-	-								
Water purification		-	-		2 423	2 231	2 231				
Reticulation		680	659	2 119				1 815	1 936	2 050	
Infrastructure - Sanitation		-	-	142	405	279	279	279	431	456	
Reticulation				142	405	279	279				
Sewerage purification								279	431	456	
Infrastructure - Other		-	-	7	271	145	145	53	288	305	
Waste Management								53	288	305	
Transportation											
Gas											
Other		3			7	271	145	145			
Community			-	-	-	395	93	93	-	-	-
Parks & gardens		7				395	93	93			
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing											
Other	8										
Heritage assets			-	-	-	-	-	-	-	-	
Buildings	9										
Other											
Investment properties		-	-	-	-	-	-	-	-		
Housing development											
Other											
Other assets	10	633	3 651	537	2 256	1 342	1 342	2 740	1 513	1 557	
General vehicles		37	575								
Specialised vehicles		-	-								
Plant & equipment		246	266								
Computers - hardware/equipment		101	58								
Furniture and other office equipment		45	29								
Abattoirs		-	-								
Markets		-	-								
Civic Land and Buildings		-	-								
Other Buildings		195	136								
Other Land		5	30								
Surplus Assets - (Investment or Inventory)		-	-								
Other		4	2 557	537	2 256	1 342	1 342	2 740	1 513	1 557	
Agricultural assets			-	-	-	-	-	-	-	-	
List sub-class											
Biological assets		-	-	-	-	-	-	-	-		
List sub-class											
Intangibles		-	-	-	-	-	-	-	-		
Computers - software & programming											
Other (list sub-class)											
Total Repairs and Maintenance Expenditure	1	2 182	7 310	5 757	12 347	10 803	10 803	10 600	11 172	11 786	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Refuse											
Fire											
Conservancy											
Ambulances											

Table SA36 - Detailed capital budget by programme

MP301 Albert Luthuli - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project R thousand	Ref	Program/Project description	Project number	IDP Goal code 3.	Asset Class 4.	Asset Sub-Class 4.	Total Project Estimate	Prior year outcomes		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
Parent municipality: List all capital projects grouped by Municipal Vote	5				Examples	Examples								
Technical Services		Master planning			Infrastructure- Water	Infrastructure				31 121	77 416	81 674		
Water		Upgrading of Water Schemes			Infrastructure- Water	Upgrading of Bulk Supply								
Electricity		Electricity Household connection			Infrastructure-Electricity	Household connection				29 618		12 000		
Sewer		VIP's in vaious wards			Community Assets	Waste Management				22 287	23 724	25 029		
Community Services		Landfill sites			Community Assets	Disposal				5 000				
Technical Services		Roads			Infrastructure-Water	Reticulation				10 300	10 300	11 453		
Water		Equipment, Vehicles & Furniture			Other Assets	Other Assets				8 045	8 479	8 946		
Various Department										20 394				
Total Capital expenditure	1									126 765	119 919	139 102		

Schedule 2 - 2011/12 Approved Tariffs

<u>TARIFFS 2011-12</u>	*2009-10	*2010-11	*2011-12
	TOTAL		PROPOSED
	INCL. VAT	TARIFFS INC. VAT	TARIFFS INC. VAT
<u>CORPORATE SERVICES</u>			
<u>TOWN HALL OFFICES & BUILDINGS</u>			
<u>EKULINDENI, MOOIPLAAS, ELUKWATINI, CAROLINA, SILOBELA</u>			
<u>STEYNSDORP, MANZANA AND TJAKASTAD</u>			
<u>RESIDENTS RESIDING WITHIN THE MUNICIPAL AREA</u>			
<u>RENTAL</u>			
Dance, Wedding, Reception, Film shows	210.00	233.10	258.74
Public meetings - Political	210.00	233.10	258.74
Public meetings - Community	140.00	155.40	172.49
Public meetings - Business	290.00	321.90	357.31
Concerts and drama shows - Professional	290.00	321.90	357.31
Concerts and drama shows - amateur	115.00	127.65	141.69
Music - vocals	115.00	127.65	141.69
Music - instruments	290.00	321.90	357.31
Registered welfare organisations	0.00	-	-
Non-registered welfare organisations	115.00	127.65	141.69
Community awareness - government	FREE	FREE	FREE
Community awareness - non-government organisations	115.00	127.65	141.69
Week-end camps - churches	210.00	233.10	258.74
Week-end camps - other	350.00	388.50	431.24
Creches, nursery schools & grade R	125.00	138.75	154.01
		-	-
<u>PEOPLE/INSTITUTIONS OUTSIDE THE MUNICIPAL AREA</u>		-	-
<u>RENTAL</u>		-	-
Dance, Wedding, Reception, Film shows	350.00	388.50	431.24
Public meetings - Political	350.00	388.50	431.24
Public meetings - Community	290.00	321.90	357.31

Public meetings - Business	465.00	516.15	572.93
Concerts and drama shows - Professional	465.00	516.15	572.93
Concerts and drama shows - amateur	210.00	233.10	258.74
Music - vocals	210.00	233.10	258.74
Music - instruments	460.00	510.60	566.77
Registered welfare organisations	230.00	255.30	283.38
Non-registered welfare organisations	115.00	127.65	141.69
Community awareness - government	FREE	FREE	FREE
Community awareness - non-government organisations	245.00	271.95	301.86
Week-end camps - churches	290.00	321.90	357.31
Week-end camps - other	460.00	510.60	566.77
Creches, nursery schools & grade R	208.00	230.88	256.28
		-	-
TOWN HALL OFFICES & BUILDINGS		-	-
MAYFLOWER, FERNIE-A&B, GLENMORE, SWALLOWSNEST, DIEPDALE		-	-
		-	-
RESIDENTS RESIDING WITHIN THE MUNICIPAL AREA		-	-
RENTAL		-	-
Dance, Wedding, Reception, Film shows	210.00	233.10	258.74
Public meetings - Political	210.00	233.10	258.74
Public meetings - Community	140.00	155.40	172.49
Public meetings - Business	290.00	321.90	357.31
Public meetings : Political, Community, Business	FREE	FREE	FREE
Concerts and drama shows - Professional	290.00	321.90	357.31
Concerts and drama shows - amateur	115.00	127.65	141.69
Music - vocals	115.00	127.65	141.69
Music - instruments	290.00	321.90	357.31
Registered welfare organisations	115.00	127.65	141.69
Non-registered welfare organisations	85.00	94.35	104.73
Community awareness - government	FREE	FREE	FREE
Community awareness - non-government organisations	115.00	127.65	141.69
Week-end camps - churches	210.00	233.10	258.74
Week-end camps - other	350.00	388.50	431.24

Creches,nursery schools &grade R	125.00	138.75	154.01
		-	-
PEOPLE/INSTITUTIONS OUTSIDE THE MUNICIPAL AREA		-	-
<u>RENTAL</u>		-	-
Dance, Wedding, Reception, Film shows	350.00	388.50	431.24
Public meetings - Political	350.00	388.50	431.24
Public meetings - Community	290.00	321.90	357.31
Public meetings - Business	465.00	516.15	572.93
Concerts and drama shows - Professional	465.00	516.15	572.93
Concerts and drama shows - amateur	210.00	233.10	258.74
Music - vocals	210.00	233.10	258.74
Music - instruments	460.00	510.60	566.77
Registered welfare organisations	230.00	255.30	283.38
Non-registered welfare organisations	115.00	127.65	141.69
Community awareness - government	FREE	FREE	FREE
Community awareness - non-government organisations	245.00	271.95	301.86
Week-end camps - churches	290.00	321.90	357.31
Week-end camps - other	460.00	510.60	566.77
Creches,nursery schools &grade R	208.00	230.88	256.28
		-	-
		-	-
STADIUM		-	-
ELUKWATINI		-	-
RESIDENTS RESIDING WITHIN THE MUNICIPAL AREA		-	-
<u>RENTAL</u>		-	-
Public meetings - Political	1 390.00	1 542.90	1 712.62
Public meetings - Community	1 040.00	1 154.40	1 281.38
Public meetings - Business	1 200.00	1 332.00	1 478.52
Concerts and drama shows - Professional	230.00	255.30	283.38
Concerts and drama shows - amateur	175.00	194.25	215.62
Music - vocals	870.00	965.70	1 071.93
Music - instruments	1 040.00	1 154.40	1 281.38
Music: promotions and marketing - instruments	870.00	965.70	1 071.93
Music: promotions and marketing - vocals	405.00	449.55	499.00

Registered welfare organisations	290.00	321.90	357.31
Non-registered welfare organisations	290.00	321.90	357.31
Community awareness - government	FREE	FREE	FREE
Community awareness - non-government organisations	115.00	127.65	141.69
Churches	750.00	832.50	924.08
Soccer : Professional	1 040.00	154.40	281.38
Soccer : Amateur	350.00	388.50	431.24
Soccer : Schools	207.00	229.77	255.04
		-	-
PEOPLE/INSTITUTIONS OUTSIDE THE MUNICIPAL AREA		-	-
RENTAL		-	-
Public meetings - Political	2 775.00	308.25	419.08
Public meetings - Community	2 080.00	308.80	562.77
Public meetings - Business	1 735.00	925.85	137.69
Concerts and drama shows - Professional	290.00	321.90	357.31
Concerts and drama shows - amateur	230.00	255.30	283.38
Music - vocals	1 040.00	154.40	281.38
Music - instruments	1 390.00	542.90	712.62
Music: promotions and marketing - instruments	1 160.00	287.60	429.24
Music: promotions and marketing - vocals	695.00	771.45	856.31
Registered welfare organisations	870.00	965.70	1 071.93
Non-registered welfare organisations	870.00	965.70	1 071.93
Community awareness - government	FREE	FREE	FREE
Community awareness - non-government organisations	175.00	194.25	215.62
Churches	870.00	965.70	1 071.93
Soccer : Professional	2 080.00	308.80	562.77
Soccer : Amateur	695.00	771.45	856.31
Soccer : Schools	405.00	449.55	499.00
		-	-
STADIUM		-	-
MAYFLOWER, EKULINDENI AND SILOBELA		-	-
		-	-
RESIDENTS RESIDING WITHIN THE MUNICIPAL AREA		-	-
RENTAL		-	-
Public meetings - Political	1 390.00	1	1

		542.90	712.62
Public meetings - Community	1 040.00	1 154.40	1 281.38
Public meetings - Business	1 160.00	1 287.60	1 429.24
Concerts and drama shows - Professional	230.00	255.30	283.38
Concerts and drama shows - amateur	175.00	194.25	215.62
Music - vocals	870.00	965.70	1 071.93
Music - instruments	1 040.00	1 154.40	1 281.38
Music: promotions and marketing - instruments	870.00	965.70	1 071.93
Music: promotions and marketing - vocals	405.00	449.55	499.00
Registered welfare organisations	290.00	321.90	357.31
Non-registered welfare organisations	290.00	321.90	357.31
Community awareness - government	0.00	-	-
Community awareness - non-government organisations	115.00	127.65	141.69
Churches	755.00	838.05	930.24
Soccer : Professional	1 040.00	1 154.40	1 281.38
Soccer : Amateur	350.00	388.50	431.24
Soccer : Schools	210.00	233.10	258.74
		-	-
		-	-
PEOPLE/INSTITUTIONS OUTSIDE THE MUNICIPAL AREA		-	-
RENTAL		-	-
Public meetings - Political	2 775.00	3 080.25	3 419.08
Public meetings - Community	2 080.00	2 308.80	2 562.77
Public meetings - Business	1 735.00	1 925.85	2 137.69
Concerts and drama shows - Professional	290.00	321.90	357.31
Concerts and drama shows - amateur	230.00	255.30	283.38
Music - vocals	1 040.00	1 154.40	1 281.38
Music - instruments	1 390.00	1 542.90	1 712.62
Music: promotions and marketing - instruments	1 160.00	1 287.60	1 429.24
Music: promotions and marketing - vocals	700.00	777.00	862.47
Registered welfare organisations	870.00	965.70	1 071.93
Non-registered welfare organisations	870.00	965.70	1 071.93

Community awareness - government	FREE	FREE	FREE
Community awareness - non-government organisations	175.00	194.25	215.62
Churches	870.00	965.70	1 071.93
Soccer : Professional	2 080.00	2 308.80	2 562.77
Soccer : Amateur	695.00	771.45	856.31
Soccer : Schools	405.00	449.55	499.00
			-
			-
DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT			-
			-
BUILDING PLAN FEES			-
Approval of building plans per square meter or part thereof-Residential	6.50	6.50	6.50
Approval of building plans per square meter or part thereof-Business	8.50	8.50	8.50
Approval of building plans per square meter or part thereof-usage not included above	8.50	8.50	8.50
			-
REZONING OR SUBDIVISION			-
Residential per application	1 000.00	1 100.00	1 210.00
Commercial per application	1 500.00	1 650.00	1 815.00
Industrial per application	1 800.00	2 000.00	2 220.00
Farm per application	1 500.00	1 700.00	1 921.00
Per application not included above	1 800.00	2 000.00	2 220.00
SPECIAL CONSENT			-
Per application	1 000.00	1 200.00	1 440.00
Approval of building plans:construction of cellphone masts	1 500.00	1 700.00	1 921.00
RELAXATION OF BUILDING LINE			-
Per application	500.00	700.00	980.00
			-
CHANGE/ADDITION OF LAND			-
Residential to include tuckshop/tavern per application	1 000.00	2 200.00	2 640.00
Other changes/additions per application		2 200.00	2 442.00
Consolidation application	1 000.00	1 400.00	1 960.00
			-
			-
			-
			-
FINANCE			-
ASSESMENT RATES			-

			-
MARKET VALUE(cents in the rand)			-
Residential and Churches	0.011660 0	0.012009 8	0.0127304
Sectional Scheme unit used for residential	0.011660 0	0.012009 8	0.0127304
Smallholding used for residential purposes	0.011660 0	0.012009 8	0.0127304
Business zoned properties used for residential purpose only and occupied by owner	0.011660 0	0.012009 8	0.0127304
Business	0.023320 0	0.024019 6	0.0254608
Industrial	0.023320 0	0.024019 6	0.0254608
Mining	0.023320 0	0.024019 6	0.0254608
Government with a 20% rebate	0.023320 0	0.024019 6	0.0254608
Farm land used for residential	0.002915 0	0.003002 5	0.0031826
Farm land used for business & commercial	0.002915 0	0.003002 5	0.0031826
Farm land used for agricultural	0.002915 0	0.003002 5	0.0031826
Farm land used for township	0.002915 0	0.003002 5	0.0031826
Farm land used for other purposes	0.002915 0	0.003002 5	0.0031826
Public service infrastructure with a 30% reduction on market value	0.011660 0	0.012009 8	0.0127304
Private infrastructure used for residential purpose	0.008745 0	0.009007 4	0.0095478
Private infrastructure used for business and other purpose	0.017490 0	0.018014 7	0.0190956
Properties not included above	0.023320 0	0.024019 6	0.0254608
			-
			-
PROPERTY RATE REBATES			-
PENSIONERS AND DISABILITY PENSIONERS			-
Up to R13,000.00 income per annum	45%		45%

From R13,000.01 to R14,000.00 income per annum	30%		30%
From R14,000.01 to R15,000.00 income per annum	25%		25%
UP TO R49,290.00 COMBINED INCOME PER ANNUM	20%	20%	20%
RESIDENTIAL PROPERTY WITH MARKET VALUE LESS THAN R.60,000.00			-
THAT ARE OF AN R.D.P. STANDARDS AS PER THE APPLICABLE			-
MARKET TRENDS			-
Registered in the name of a natural person	90%	90%	90%
			-
Government Properties	20%	20%	20%
			-
REBATES ON NEWLY RATEABLE PROPERTY			-
2009-10 FINANCIAL YEAR	75%	100%	-
			-
NEWLY PRIVATE INFRASTRUCTURE DEVELOPMENT			-
FIRST 85% OF RATEABLE VALUATION FOR A MAXIMUM PERIOD	85%	85%	85%
OF 2 YEARS SUBJECT THAT ALL CONDITIONS ARE MET IN TERMS			-
OF CLAUSE 10.3.13 OF THE RATES POLICY OF COUNCIL			-
			-
RESIDENTIAL PROPERTY USED FOR			-
RESIDENTIAL PURPOSES			-
FIRST R15,000 OF THE MARKET VALUE OF SUCH A PROPERTY	FIRST R15000		-
			-
Service charges (flat rate)			-
(where there is no metered services)			-
Household, Churches	28.90	32.00	33.92
Business/Industry, Government	33.35	36.00	38.16
Properties not included above	33.35	36.00	38.16
			-
			-
DEPOSITS - WATER			-
Owners -New households & Defaulters	270.00	280.00	291.20
Tenants -New households & Defaulters	270.00	280.00	291.20
New Business/Industrial and defaulters	660.00	695.00	729.75
New Registered Indigents-Household Income R0.00 - R1100.00	0.00		-
			-
DEPOSITS - ELECTRICITY			-
Owners -New households & Defaulters	1 110.00	1 175.00	1 245.50
Tenants -New households & Defaulters	1 110.00	1 175.00	1 245.50
New Small Business/Industrial and defaulters	1 110.00	1 175.00	1 245.50
New bulk users Business/Industrial and defaulters based on average consumption	3 month	3 month	

New Other Business/Industrial and defaulters not included above	1 660.00	1 750.00	1 855.00
New pre-payment users and defaulters	550.00	580.00	614.80
New Registered Indigents-Household Income R0.00 - R1100.00	0.00		-
			-
CERTIFICATES			-
			-
Clearance Memorandum Fee	44.00	50.00	57.00
Clearance Certificate Fee	2.00	2.00	2.10
Valuation Certificate Fee	5.00	5.00	5.15
			-
FEES PAYABLE IN TERMS OF THE ACCES TO INFORMATION ACT			-
(a) In respect of the search of any index to any account not in a service register	3.30	3.46	3.63
(b) In respect of the search of any index to an account in a service register	2.20	2.30	2.42
(water, sanitation, sewerage, miscellaneous debts, etc.)			-
(c) For the inspection of any deed, document or diagram or any details	3.30	3.46	3.63
relainga thereto.			-
(d) In respect of any search for information where a fee for such search has			-
not been prescribed by (a), (b), or (c) above:-			-
for every hour or portion thereof and	10.00 p/h		-
per page	1.00	1.00	1.05
(e) Electronic Info - per hour or portion thereof			-
E-Mail / Stiffy - Valuation Roll or Consolidate Balance Report	120.00p.h		-
DEMAND NOTICES			-
Administration fee	25.08	23.05	24.89
			-
FEES PAYABLE IN TERMS OF SUPPLY CHAIN MANAGEMENT			-
REGISTRATION ON SUPPLIER'S DATA BASE			-
(a) category 1-professional service provider's	220.00	240.00	261.60
(b)category 2-non emerging suppliers data base(objective above R100,000.00	220.00	240.00	261.60
© category 3-emerging contractor data base (objectives between R0.00 TO R100,000.00	no cost		-
			-
TENDER DOCUMENTS	275.00	320.00	371.20
			-
			-
COMMUNITY SERVICES			-

			-
PUBLIC HEALTH ADMINISTRATION			-
			-
Registration of Food Premises	228.00	306.00	410.20
Inspection of re-registration of food premises	114.00	153.00	205.20
Hawkers licence per year	50.00	50.00	67.00
			-
PUBLIC HEALTH : SANITATION			-
			-
Garden refuse per load	114.00	200.00	210.00
REFUSE REMOVAL(ALL AREAS)			-
			-
Bin removal - household and churhes	44.92	50.76	53.29
Bin removal - Business	224.58	253.78	266.46
Bins removal twice a week _government institutions	224.58	253.78	266.46
Bin Removal -Properties not included above	224.58	253.78	266.46
Special removal or request(bulk containers)	71.25	80.51	84.54
Special removal or request(bulk containers) per km(additional to container fee)	8.14	9.20	9.66
Special removal or request(Pets Carcasses)	42.75	48.31	50.72
Refuse removal outside working area:per kg or part thereof	7.25	8.19	8.60
			-
LIBRARIES			-
			-
FEES			-
Fines for late material (per item/week)	3.00	12.25	37.73
<u>Photocopiers :</u>			-
A4 (per copy)	1.00	1.00	1.03
A3 (per copy)	1.50	1.80	2.16
Membership fees renewable after three years:per adult	25.00	34.00	46.24
Membership fees renewable after three years:children(first two,rest free)	20.00	27.00	36.45
<u>Printing</u>			-
Black and white documents without graphics per page	1.00	1.20	1.44
Black and white documents with graphics per page	1.50	1.70	1.92
Colour documents without graphics per page	1.50	1.70	1.92
Colour documents with graphics per page	3.00	3.20	3.42
			-

Internet: Searching for 15 minutes or part thereof	15.00	21.60	31.10
E-mail			-
Sending of mail per page	2.00	24.50	7.00
Receiving per 15 minutes or part thereof	15.00	15.00	15.45
			-
CEMETRY			-
			-
HIGH LEVEL OF SERVICE:CAROLINA AND BADPLAAS			-
			-
			-
People living inside Municipla Area			-
Single grave : Adult	400.00	400.00	432.00
Children	300.00	300.00	324.00
Special grave	550.00	550.00	594.00
Single grave 8ft. deep	460.00	460.00	496.80
Re-opening	160.00	160.00	172.80
People living outside Municipal Area			0.00
Single grave : Adult	850.00	850.00	918.00
Children	400.00	400.00	432.00
Special grave	850.00	850.00	918.00
			-
BASIC LEVEL OF SERVICE:SILOBELA			-
			-
People living Inside Municipal Area			-
Single grave : Adult	150.00	150.00	150.00
Children	100.00	100.00	100.00
			-
People living outside Municipal area			-
Single grave : Adult	170.00	400.00	400.00
Children	120.00	250.00	250.00
			-
BASIC LEVEL OF SERVICE:ELUKWATINI/EKULINDENI			-
People living Inside Municipal Area			-
Single grave : Adult	150.00	150.00	150.00
Children	100.00	100.00	100.00
			-
People living outside Municipal area			-
Single grave : Adult	170.00	170.00	170.00
Children	120.00	120.00	120.00
			-
BASIC LEVEL OF SERVICE:EMPULUZI			-
People living Inside Municipal Area			-
Single grave : Adult	150.00	150.00	150.00

Children	100.00	100.00	100.00
			-
People living outside Municipal area			-
Single grave : Adult	170.00	170.00	170.00
Children	120.00	120.00	120.00
			-
Exhume and rebury			-
Badplaas	500.00	500.00	500.00
Carolina	500.00	500.00	500.00
Silobela	250.00	250.00	250.00
Empuluzi	250.00	250.00	250.00
Ekulindeni	250.00	250.00	250.00
Elukwatini	250.00	250.00	250.00
			-
SUNDRY TARIFFS			-
Erection of tompstone	50.00	50.00	50.00
Payment of services on pauper burial (expenditure)	1 200.00	1 200.00	1 200.00
			-
			-
<u>TECHNICAL SERVICES</u>			-
			-
			-
<u>ELECTRICITY SERVICES</u>			-
			-
Connections			-
			-
In town : Conventional meters	Actual +25%+vat	Actual +25%+vat	Actual +25%+vat
Prepaid meters	Actual +25%+vat	Actual +25%+vat	Actual +25%+vat
Rural areas	Actual +25%+vat	Actual +25%+vat	Actual +25%+vat
			-
Re-connection Fees			-
			-
During office hours	137.48	164.98	189.73
After Hours	267.33	331.49	381.21
Defaulters	267.33	331.49	381.21
Meter test fee	476.61	591.00	679.65
Test reading	114.57	142.07	163.38
Meter Test Fee			-
In Town			-
Single fase	286.43	355.17	408.44
Three Fase	381.90	473.56	544.59
Rural areas	Actual	Actual	Actual

	+25%+vat	+25%+vat	+25%+vat
			-
ELECTRICITY AVAILABILITY FEE :			-
VACANT ERF OR PROPERTY			-
ALL AREAS			-
PER MONTH			-
Household, Churches	128.41	159.23	183.11
Business& Government	257.93	319.83	367.80
Industry and bulk commercial users	589.53	731.01	840.67
Properties not included above	257.93	319.83	367.80
			-
ELECTRICITY AVAILABILITY FEE IMPROVED PROPERTY			-
			-
ALL AREAS			-
PER MONTH			-
Household, Churches with low usage<400kwh	30.88	33.97	39.07
Household, Churches with high usage>400kwh	128.40	141.24	162.42
Business& Government	257.93	283.72	326.28
Industry and bulk commercial users	589.53	648.48	745.75
All erven with landvalue more than R4000.00 not connected and according to Council can be connected		0.00	-
	54.85	60.33	69.38
Properties not included above	257.93	283.72	326.28
			-
			-
UNIT TARIFF CONVENTIONAL METERS			-
			-
ALL AREAS			-
Household, Churches	0.855000	1.00	
Business, Industry & Government	0.672600	0.79	
Departmental	0.649800	0.76	
Other consumers not listed	0.855000	1.00	
BULK SUPPLY (ELECTRICITY)			
All low voltage consumers per kwh	0.376200	0.47	
All low voltage consumers per kva(bulk supply)	107.59	134.49	
All high voltage consumers per kwh	0.376200	0.47	
All high voltage consumers per kva(bulk supply)	106.85	133.57	
			-
			-
PRE-PAYMENT TARIFF			-
			-
Household, Churches	0.866400	1.01	
Business, Industry,& Government	0.934800	1.09	
Fines for tampering with meters	3 055.20	3574.58	4 110.77

Other consumers not listed	0.934800	0.96	
TECHNICAL SERVICE : SEWERAGE			-
			-
CONNECTION FEES			-
for 110mm where there is a connection point	1 425.00	1610.25	1 658.56
for 110 mm where there is no connection point	2 137.50	2415.38	2 487.84
for connection larger than 110 mm	2 565.00	2898.45	2 985.40
			-
			-
SEWERAGE SERVICE FEES			-
			-
ALL AREAS (per month)			-
			-
House, Churches and Church halls	112.38	126.99	130.80
Basic for businesses,industry & government	112.38	126.99	130.80
Business per toilet	32.85	37.13	38.24
All residential erven with market value less than R60,000.00 registered in name of		0.00	-
a natural person	41.68	47.10	48.51
All areas basic where property not included above-Baisic Charge	112.38	126.99	130.80
All areas basic where property not included above-per toilet add charge	32.85	37.13	38.24
		0.00	-
Night Soil	19.13	21.62	22.26
			-
WATER SUPPLY AND SERVICES			-
			-
CONNECTION FEE :			-
			-
15 mm	1 186.35	1957.48	2 016.21
19mm	1 186.35	1957.48	2 016.21
25mm including labour, price increace and tar repairs	1 186.35	1957.48	2 016.21
Larger connections	actial cost+6%	actial cost+6%	
			-
			-
WATER RE-CONNECTION FEE			-
			-
During office hours	88.82	128.79	132.65
After Hours	177.63	257.57	265.30
Defaulters	177.63	257.57	265.30
Meter test fee	196.37	284.73	293.27
Test reading	76.13	110.39	113.70
FINES AND OTHER FEES			-
Fines for tampering with meters	1 966.67	3540.01	3 646.21
Enquiry on prepaid meter	12.69	22.84	23.52

WATER UNIT TARIFFS			-
			-
PER UNIT CONSUMPTION			-
Households and churches : 1-8 kl	0.00	0	-
9-15 kl	3.38	3.55	3.66
16-20 kl	4.06	4.26	4.39
21-40 KL	5.00	5.25	5.41
above 41 kl	5.66	5.94	6.12
		0.00	-
Business, industry & 1-8 kl	3.38	3.55	3.66
Government 9-15 kl	3.38	3.55	3.66
16-20 kl	4.06	4.26	4.39
21-40 KL	5.00	5.25	5.41
above 41 kl	5.66	5.94	6.12
Departmental per kl	3.38	3.55	3.66
Properties not listed above: tariffs as per business, industry & government			-
			-
WATER AVAILABILITY CHARGE(BASIC CHARGE)			-
			-
VACANT ERF OR PROPERTY(ALL AREAS)			-
PER MONTH			-
Household, churches	52.02	54.62	56.26
Business, Industry & Government	53.30	55.96	57.64
Properties not included above	53.30	55.96	57.64
		0.00	-
IMPROVED STANDS OR PROPERTY		0.00	-
ALL AREAS		0.00	-
PER MONTH		0.00	-
Housholds using 6 kl or less water per month	0.00	0.00	-
Household, churches	52.02	54.62	56.26
Business, Industry & Government	53.30	55.96	57.64
All erven with landvalue more than R4000.00 not connected and according to Council		0.00	-
can be connected	52.09	54.69	56.33
Properties not included above	53.30	55.96	57.64
			-
			-
<u>PUBLIC SAFETY</u>			-
			-
FIRE BRIGADE SERVICE			-
Within Municipal area			-
Call out fee	124.00	130.00	136.50
Equipment/appliances per hour/part thereof			-
Portable equipment	36.00	40.00	44.40
Appliances	52.00	60.00	69.00
Service vehicle	83.00	90.00	97.20
Fire engine	166.00	180.00	194.40
Personnel per hour/part thereof:			-

Chief fire/Traffic Officer	186.00	193.00	200.72
Station Officer/Superintendent	124.00	130.00	136.50
Fireman/Traffic Officer	83.00	90.00	97.20
Other officers	67.00	70.00	72.80
Media used			-
Water per kl.		2.81	2.90
Fire fighting foam per 25 liters	1 166.00	1 209.00	1 257.36
DCP Fire extinguisher per 9kg	290.00	300.00	309.00
CO2 Fire extinguisher per 7kg	363.00	380.00	399.00
Road marking paint 25 liters	570.00	590.00	613.60
Outside Municipal Area			-
Call out fee	249.00	260.00	270.40
Equipment/appliances per hour/part thereof			-
Portable equipment	73.00	76.00	79.04
Appliances	104.00	109.00	114.45
Service vehicle	166.00	173.00	179.92
Fire engine	332.00	345.00	358.80
Personnel per hour/part thereof:			-
Chief fire/Traffic Officer	373.00	390.00	409.50
Station Officer/Superintendent	249.00	260.00	270.40
Fireman/Traffic Officer	166.00	173.00	179.92
Other officers	135.00	140.00	145.60
			-
ADVERTISING SIGNS (ALL AREAS)			-
Application fees:			-
Sign types 2 (ground signs), 3(wall signs), 4 (roof signs) and 5 (veranda signs, balcony, canopy and under awning sings)	155.00	160.00	164.80
Sign type 1 (billboards) and all non-locality bound sings in excess of 12 square meters	466.00	483.00	502.32
Sign type 6 (posters, banners and flags)	52.00	55.00	58.30
			-
Approval fee:			-
Sign types 1,2,3,4 and 5 per square meter of advertising, display or part thereof with a			-
	41.00	42.00	42.84
Sign types 6 (posters, banners and flags):			-

For non-profit bodies only	R5 per sticker	R5 per sticker	R5 per sticker
For religious, sporting, social, cultural, political and other events	R8 per sticker	R8 per sticker	R8 per sticker
For commercial purposes	R16 per sticker	R16 per sticker	R16 per sticker

Schedule 5 - Budget Related Policies

Tariff Policy

Date approved : 10 May 2011

Operation date: 1 July 2011

1. Preamble

- (1) Chief Albert Luthuli Local Municipality, in terms of Section 75(1) of the Local Government Municipal Systems Act, Act 32 of 2000, has to adopt a Tariff Policy which is regarded a budget-related policy in terms of the Local Government Municipal Finance Management Act, Act 56 of 2003.
- (2) The Tariff Policy annually has to undergo revision and be tabled with the Multi-Year Annual Tabled Budget to the Council of the municipality for consideration and approval for public scrutiny and comments annually before 31 March.
- (3) Comments received by the municipality on the contents and stipulations of the Policy have to be considered by the Council for possible amendment/inclusion to the draft policy for a final draft to be approved by the Council annually before 31 May.
- (4) The adopted Tariff Policy applies to the Multi-Year Annual Budget of a related year during which the income is based on the principles contained in the Tariff Policy.
- (5) Should any of the principles contained in the Tariff Policy by resolution of the Council be changed, an Adjustment Budget has to be prepared to reflect the consequent effect.

2. Definitions

In this tariff policy, unless inconsistency with the context, a word or expressions to which a meaning in the Act has been attached means:-

"agricultural consumers" include but are not limit to farms, smallholdings and agricultural show grounds;

"break even" occurs where the volume sales are equal to the fix and variable cost associated with the provision of the service;

"business and commercial consumers" include but are not limit to business undertakings, shops, offices, liquor stores, supermarkets, public garages, gathering places, nurseries, places of entertainment, service stations, hairdressings salons, banks, hotels, guesthouses, boarding houses and doctor-and dentist consulting rooms;

"councillor for financial matters" the councillor of the municipal council responsible for financial matters;

"domestic consumers" include but are not limit to residence, group housing, town houses, semi-detached houses, and flats;

"indigent households" are households that are registered under the municipality 's Indigent Policy;

"industrial consumers" include but are not limit to industrial undertakings, factories, warehouses, workshop, scrap yards, stores, wine cellars, abattoir, dairy processing plants and fish markets;

“in season” refers to the period from the 1st December of a year up to 31 January of the following year and from the Monday before the Easter weekend up to and including Easter Monday;

“lifeline tariffs” a unit charge calculated by dividing the total cost associated with the service by the volume consumed (units);

“resident” a person who is ordinary resident in the municipal area;

“special agreements” are special tariff agreements entered into with consumers making significant economic contribution to the community and create job opportunities;

“sport and recreation facilities” include but are not limit to properties used exclusively for sport and recreation purposes including school sport fields which are metered separately for water and electricity consumption and caravan parks;

“the Act: the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

3. **Legal Requirements**

- (1) *In developing its Tariff Policy, the Municipality has noted the applicability of the following legislation -*
 - (a) *Constitution of the Republic of South Africa, 1996*
 - (b) *Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)*
 - (c) *Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007)*
 - (d) *Municipal Finance Management Act, 2003 (Act No. 56 of 2003)*
 - (e) *Water Services Act, 1997 (Act No. 108 of 1997)*
 - (f) *Electricity Regulation Act, 2006 (Act No. 4 of 2006)*
 - (g) *Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004)*
 - (h) *Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)*
- (2) *This policy complies with sections 74 of the Municipal Systems Act in so far as it -*
 - (a) *establishes a tariff policy on the levying of fees for municipal services provided by the municipality;*
 - (b) *reflects the required principles; and*
 - (c) *differentiates between different categories of users, debtors, service providers. services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.*
- (3) *Section 75 of the Municipal Systems Act requires the council to adopt by-laws to give effect to the implementation and enforcement of this tariff policy.*

4. **Tariff Principles**

- (1) *The Tariff Policy of the Municipality is in accordance with the principles as set out in section 74 of the Municipal Systems Act as follows –*
 - (a) *users of municipal services should be treated equitably in the application of tariffs;*
 - (b) *the amount individual users pay for services should generally be in proportion to their use of that service;*
 - (c) *poor households must have access to at least basic services through –*
 - (i) *tariffs that cover only operating and maintenance costs,*

- (ii) special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service; or
 - (iii) any other direct or indirect method of subsidization of tariffs for poor households.
 - (d) tariffs must reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration and replacement costs, and interest charges;
 - (e) tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidization from sources other than the service concerned;
 - (f) provision may be made in appropriate circumstances for a surcharge on the tariff for a service;
 - (g) provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;
 - (h) the economical, efficient and effective use of resources, the recycling of waste, and other appropriate environmental objectives must be encouraged;
 - (i) the extent of subsidization of tariffs for poor households and other categories of users should be fully disclosed.
- (2) In addition, the Municipality recognizes the principles set out in the 1998 White Paper on Local Government on user charges as follows –
- (a) Payment in proportion to the amount consumed – as far as it is practically possible, consumers should pay in proportion to the amount of services consumed.
 - (b) Full payment of service costs – all households, with the exception of the indigent, should pay the full cost of services consumed.
 - (c) Ability to pay – municipalities should develop a system of targeted subsidies to ensure that poor households have at least a minimum level of basic services.
 - (d) Fairness – tariff policies should be fair in that all people should be treated equitably.
 - (e) Transparency - the tariff policy should be transparent to all consumers and any subsidies and concessions must be visible and understood by all consumers.
 - (f) Local determination of tariff levels - municipalities have the flexibility to develop their own tariffs in accordance with the principles contained.
 - (g) *Consistent tariff enforcement – a consistent policy for dealing with non-payment of tariffs needs to be developed. This must be targeted and enforced with sensitivity to local conditions.*
 - (h) *Ensure local economies are competitive - local tariffs must not unduly burden local business through higher tariffs, as these costs affect the sustainability and competitiveness of such businesses and firms.*
- (3) The tariffs asset out in this policy shall, as far as is practical, encourage and promote the objects and programmes contained in the municipality’s Integrated Development Plan.

5. **Objectives of this Policy**

- (1) *The Municipality wishes to achieve the following objectives by adopting this tariff policy –*
- (a) *to comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);*

- (b) *to prescribe procedures for calculating tariffs where the municipality wishes to appoint service providers in terms of section 76(b) of the Act; and*
 - (c) *to give guidance to the Councillor responsible for finance regarding tariff proposals that must be submitted to Council annually during the budget process.*
- (2) In addition, the Municipality seeks to ensure that –
- (a) the tariffs of the Municipality conform to acceptable policy principles;
 - (b) municipal services are financially sustainable;
 - (c) there is certainty in the Council of how the tariffs will be determined;
 - (d) tariffs of the Municipality comply with the applicable legislation; and
 - (e) tariffs should take into consideration relief to the indigent.
- (3) *Tariffs will be set at a level that facilitates the sustainability of services, which will be achieved by ensuring that –*
- (a) *cash inflows cover cash outflows and that sufficient provision for working capital and bad debts will be made; and*
 - (b) *access to the capital market is maintained, to be achieved through the provision for the repayment of capital, maintaining sufficient liquidity levels and making profits on trading services.*
- (4) *Where practical, efficient and effective use of resources will be encouraged by providing for penalties to discourage unnecessary or exorbitant usage.*

6. **Tariff Strategy**

(1) Minimum basic services must be free

This will be set out in the Free Basic Services Policy of the Municipality, and in order to ensure affordable services, the Council will introduce a stepped tariff structure in which consumers that use more of a service, will pay progressively more for higher consumption than those who consume less of a service.

(2) Keeping tariffs affordable

In order to ensure that tariffs remain affordable, the Council will strive to ensure that –

- Services are delivered at an appropriate level;
- Efficiency improvements are actively pursued across the Municipality's operations;
- A performance management system is introduced to ensure that plans that are devised are actually implemented on its own resources are obtained as economically as possible and that appropriate service delivery mechanisms are used;
- An investigation is conducted with the objective of phasing out as soon as is practically possible the non-core functions that the municipality currently performs without depriving the community of any services that really contribute to the quality of life of people in its area;
- Any service that is provided for which there is little demand, is priced under the actual cost of providing it and which requires the Municipality to maintain significant

infrastructure and other facilities, are phased out, except where the Council is by law required to provide such a service; and

- The equitable share of revenue raised nationally will be used to maintain an adequate level of basic services for indigents.

(3) Achieve price parity for services and property rates (uniform tariffs)

The Council will strive to achieve price parity within the Municipality within five financial years starting with the 2003/4 financial year.

(4) Fully exploiting the potential income base

In order to ensure that tariffs remain current, and to ensure that all revenue is maximized, the Council will –

- Review tariffs for services at least once during every financial year.
- Ensure that tariff increases are in line with increases in the price of *personnel costs*, goods, material and other resources acquired and used by the Municipality to perform its functions; and
- Ensure that the tariff for a particular service will be calculated in such a way that all relevant costs are covered. This means that a tariff for a service must include at least the capital expenditure required and interest thereon, the cost of managing and operating the service and the cost of maintaining, repairing and replacing the physical assets used in its provision.

(5) The “Consumer must pay Principle”

The Council believes that consumers of services must pay for the amount of services that they use. Where it is possible to measure the consumption of services, the Council intends to install metering systems and to take into account the free service element.

In this regard the Council will develop a programme to install meters in appropriate cases.

In the striving for better service delivery to the consumers, a user friendly format of accounts will be developed and implemented.

(6) Redistribution / Cross-subsidisation

Some members of the community are better able to afford to pay for the services that they use and benefit from, than others. The budget of the Municipality is an important device in ensuring redistribution within the community. Those that pay higher property rates based on the value of their properties, in fact subsidise those who pay less tax.

Also, the Council uses the trading surplus it realizes on the trading account to bring relief with regard to property tax rates.

Likewise, the Council will ensure that the cross-subsidisation occurs between and within services to further contribute to its redistribution objectives.

(7) Ensuring financial sustainability of service delivery

Financial sustainability of an enterprise will be achieved when it is financed in a manner that insures that its financing is sufficient.

The tariff for a service must, therefore, be sufficient to cover the cost of the initial capital expenditure required and interest thereon, managing and operating the service and maintaining, repairing and replacing the physical assets used in its provision.

The Council will adopt and apply a Credit Control and Debt Collecting policy to ensure that service charges are recovered.

Where a trading service (water and electricity) and economic service (sanitation and sewerage) is available to a property, an availability levy or charge will be imposed if the occupier of the property does not use the service concerned or if the property is vacant. The availability levy, if possible, will be adequate to cover the pro rata cost of the initial capital expenditure and interest thereon and the maintenance of the infrastructure associated with service delivery.

7. Tariff determination process

- (1) Except in special circumstances, such as significant increases in the wholesale price of goods and services that the Council purchases during a year to provide services, the Council will review its tariffs during the preparation of the annual budget in accordance with the policy stated above. Proposed tariffs will be presented to the community during the Council's consultation about the budget.
- (2) After the Council has adopted its rates, tariffs, fees, charges and surcharges the Municipal Manager shall, without delay –
 - (a) conspicuously display a copy of the resolution adopting such fees, charges or tariffs for a period of at least 21 days at the main administrative office of the municipality and at such other places within the municipality to which the public has access as the Municipal Manager may determine;
 - (b) publish in a newspaper of general circulation in the municipality a notice stating –
 - (i) that a resolution as contemplated above has been passed by the Council;
 - (ii) that a copy of the resolution is available for public inspection during office hours at the main administrative office of the municipality and at the other places specified in the notice;
 - (iii) the date on which the determination will come into operation;
 - (iv) that any person who desires to object to such determination or amendment must do so in writing within 14 days after the date on which the notice was displayed; and
 - (v) that any person who cannot write may come during office hours to a place where a staff member of the municipality named in the notice, will assist that person to transcribe his/her objection.
 - (c) seek to convey the information referred to in paragraph 3.8.2 to the local community by means of radio broadcasts covering the area of the municipality.

- (3) The Municipal Manager must forthwith send a copy of the notice referred to in subparagraph 7.2.2 to the MEC for Housing and Local Government and other institutions regulated by another law or directive applicable from time to time.
- (4) If no objection is lodged within the period stated in the notice, the determination or amendment will come into operation on the date determined by the Council.
- (5) Where an objection is lodged, the Municipality will consider every objection.
- (6) The Council may, after it has consider all objections, confirm, amend, or withdraw the determination or amendment and may determine another, on the date on which the determination or amendment will come into operation.
- (7) After the Council has considered the objections it will again give notice of the determination, amendment or date as determined above and will also publish it as determined by the Council.
- (8) *The municipality must adopt by-laws to give effect to the implementation and enforcement of this tariff policy.*

8. **Categories of Customers**

- (1) *Separate tariffs structure may be raised for the following categories of customers –*
 - (a) *domestic;*
 - (b) *indigent households;*
 - (c) *business and commercial;*
 - (d) *industrial;*
 - (e) *agricultural*
 - (f) *rural;*
 - (g) *public benefit organisation;*
 - (h) *institutional;*
 - (i) *commercial and industrial with special agreements;*
 - (j) *government; and*
 - (k) *the municipality.*
- (2) *The Municipality, in line with section 75 of the Act, determine that differentiated tariffs for the different consumers in certain geographical areas are necessary where there is a substantial difference between the infrastructure used in each geographical are to provide the service. These geographical areas are –*
 - (a) *<unknown>.*
- (3) *The differentiation contemplated in paragraph 8.2 above will be based on one or more of the following elements –*
 - (a) *infrastructure costs;*
 - (b) *volume usage;*
 - (c) *availability; or*
 - (d) *service standards.*

9. **Service Classification**

- (1) *In the following classification, trading and economic services must be financially ring-fenced and financed from service charges while community and subsidized services will be financed from rates and related income.*
- (2) *In order to isolate the costs associated with a service, the Municipal Manager, Chief Financial Officer and Executive Mayoral Committee of the Council, shall, subject to the guidelines provided by the National Treasury, provide for the classification of services into the categories as set out in paragraphs 9.3 to 9.6 below.*

(3) Trading services

Water and electricity provisions are trading services. Typically the consumption of a trading service is measurable and can be apportioned to an individual consumer. These services are managed like businesses. The tariffs for these services are determined in such a way that a net trading surplus is realized. The trading surplus is used to subsidise the tariffs of non-trading services, in other words to relieve property rates.

- (a) Water
- (b) Electricity.

(4) Economic services

Sewage and domestic household removal are economic services. The consumption of an economic service can be measured or determined with reasonable accuracy and apportioned to an individual consumer. Whilst they are also managed like businesses, the tariffs for these services are normally determined in such a way that user charges cover the cost of providing the service.

- (a) Refuse removal
- (b) Sewerage
- (c) Markets
- (d) Abattoir fees
- (e) Holiday resorts
- (f) Recreation resorts
- (g) Caravan and Camping facilities

(5) Community services

Community services are those services the consumption of which cannot be determined nor apportioned to individual consumers. These services are typically financed through finance rates. Examples are the establishment, operation and maintenance of parks and recreation facilities, provision and maintenance of roads and storm water drainage systems, the establishment, management and maintenance of cemeteries and traffic regulation.

- (a) Abattoirs
- (b) Cleansing
- (c) Control of public nuisances
- (d) Environmental and waste management

- (e) *Facilities for accommodation, care and burial of animals*
- (f) *Fencing and fences*
- (g) *Interest rates charged*
- (h) *Local amenities*
- (x) *Markets*
- (j) *Municipal parks and recreation*
- (k) *Municipal roads*
- (l) *Museums*
- (m) *Nature reserves*
- (n) *Noise pollution*
- (o) *Public places*
- (p) *Road signs*
- (q) *Sports grounds*
- (r) *Street lighting*
- (s) *Storm-water management*
- (t) *Trade licenses*
- (u) *Traffic control*
- (v) *Municipal public works (only in respect of the needs of the municipality in the discharge of its responsibilities and to administer functions specially assigned to it under the Constitution or any other law)*

(6) Subsidised services

Subsidised services include fire fighting, approving building plans and the construction of buildings, leasing of municipal facilities, selling of burial sites and certain town planning functions. Subsidised services are those services the consumption of which can be determined reasonably accurately and apportioned to individuals and consumers. However, if the tariffs for using this service were based on its real cost, nobody would be able to afford it. In most cases not only would the consumer benefit from using the service, but also other persons. A user charge is payable for using the service, but the tariff is much lower than the real cost of providing the service.

- (a) *Angling permits*
- (b) *Billboards*
- (c) *Burials and cemeteries*
- (d) *Control of undertakings that sell liquor to the public*
- (e) *Distribution of hand-bills*
- (f) *Dog licensing*
- (g) *Fire fighting services*
- (h) *Health and ambulance services*
- (i) *Holiday resorts*
- (j) *Interest rates charged*
- (k) *Letting of Municipal facilities*
- (l) *Leasing of Municipal properties*
- (m) *Libraries*
- (n) *Licensing and control of undertakings that sell food to the public*
- (o) *Licensing of motor vehicles and transport permits*
- (p) *Local tourism promotion*
- (q) *Parking*
- (r) *Photocopies*

- (s) Pound fees
- (t) Recreation resorts
- (u) Reference and information fees
- (v) Rezoning
- (w) Tender deposits
- (x) Town planning
- (y) Training Courses.

(7) The Municipality also provides services in support of the above-mentioned services. These are called staff functions and include committee services, records and archives, financial management accounting and stores, occupational health and human resources management. These services are financed through property rates.

9. **Expenditure Classification**

(1) Expenditure will be classified into the categories as set out in paragraphs 10.2 and 10.3 below.

(2) Subjective classification

- (a) Salaries, wages and allowances
- (b) Bulk purchases
- (c) General expenditure
- (d) Repairs and maintenance
- (e) Capital charges (interest and redemption) / depreciation
- (f) Contribution to fixed assets
- (g) Contribution to funds –
 - (i) Bad debts;
 - (ii) Working capital; and
 - (iii) Statutory funds.
- (h) Contribution to reserves;
- (i) Gross expenditure;
- (j) Less charge-out;
- (k) Net expenditure;
- (l) Income; and
- (m) Surplus/Deficit.

(3) Objective classification

- (a) Licensing of motor vehicles and transport permits
- (b) Cost centres will be created to which the costs associated with providing the service can be allocated –
 - (i) Department
 - (ii) Section/service
 - (iii) Division/service
- (c) The subjective classification of expenditure each with a unique vote will be applied to all cost centres.

10. **Cost Elements**

The following cost elements to be used to calculate the tariffs for the different services –

- (1) **Fixed costs** which consist of the capital costs (interest and redemption) on external loans as well as internal advances and or depreciation whichever are applicable to the service and any other costs of a permanent nature as determined by the Council from time to time.
- (2) **Variable costs** which include all other variable costs that have reference to the service.
- (3) **Total cost** consisting of the fixed cost and variable cost.

11. **Tariff Types**

In determining the type of tariff applicable to the type of service the municipality shall make use of the following eight options or a combination of the same.

- (1) **Single tariff:** this tariff shall consist of a cost per unit consumed. All costs will be recovered through unit charges at the level where income and expenditure breaks even. Subject to a recommendation by the Chief Financial Officer the council may decide to approve profits on trading services during the budget meeting. Such profits will be added to the fixed and variable cost of the service for the purpose of calculating the tariffs.
- (2) **Cost related two to four part tariff:** this tariff shall consist of two to four parts. Management, capital, maintenance and operating costs will be recovered by grouping certain components together. Management-, capital- and maintenance costs may be grouped together and be recovered by a fixed charge, independent of consumption for all classes of consumers, while the variable costs may be recovered by a unit charge per unit consumed. Three and four part tariffs will be used to calculate the tariff for electricity and to provide for maximum demand and usage during limited demand periods.
- (3) **Inclining block tariff:** this tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase. This tariff will only be used to subsidised free basic services and prohibit the exorbitant use of a commodity. The first step in the tariffs will be calculated at break-even point. Subsequent steps will be calculated to yield profits and to discourage excessive use of the commodity.
- (4) **Declining block tariff:** this tariff is the opposite of the inclining block tariff and decreases as consumption levels increase. The first step will be calculated by dividing the fix and variable cost and profit determined by council from time to time by the volume consumed. This tariff will only be used for special agreements.
- (5) **Regulating tariff:** this tariff is only of a regulatory nature and the municipality may recover the full or a portion of the cost associated with rendering the service.
- (6) **Sliding scale:** This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase. This tariff will only be used to prohibit the exorbitant use of a commodity. The first step of this tariff will be free of charge to provide access to the basic services to Indigent Households. The second step in the tariffs will be calculated at break-even point. Subsequent steps will be calculated to yield profits and to discourage excessive use of the commodity.
- (7) **Availability charges:** Payable in respect of erven not connected to Council's infrastructure. Once Council provided a connection, normal tariffs as per respective service are payable.

- (8) **Recoverable work:** These tariffs shall apply to consumers who are making use, on application, of certain recoverable services. The tariff will be calculated at actual cost plus a surcharge as determined with the actual tariffs.

12. Deposits

- (1) Deposits are required where levies are made in arrears.
- (2) Deposits are payable with application for relevant service –
- (a) Electricity: Two times the average monthly consumption of the past 2 months with a minimum of R 1000;
 - (b) Water: Two times the average monthly consumption of the past 2 months with a minimum of R 500;
 - (c) Rental: Equal to the monthly rental; and
 - (d) Other services: <unknown>
- (3) Deposit to be doubled in case of non-payment of account.
- (4) Indigent households are not required to pay a deposit.
- (5) A bank guarantee can be accepted in cases where a deposit of R2 500 or more is required
- (6) No deposit required for pre-paid meters.

13. Unit of Measurements

The following cost elements to be used to calculate the tariffs for the different services –

- (1) **Electricity**
- (a) Unit of measurement –
 - (i) Maximum demand (kVa) plus fixed tariff plus kWh consumed;
 - (ii) Fixed tariff plus kWh consumed; or
 - (iii) Unit tariff (KWh consumed) (for pre-payment meters).
 - (b) Method of calculation –
 - (i) The guidelines issued by the National Electricity Regulator from time to time will form the basis of calculating tariffs.
 - (ii) To recover the capital cost of supplying electricity through a fixed charge will make electricity unaffordable to many low consumption users. Cross subsidisation between and within categories of consumers will be allowed based on the load factors of the categories and consumers within the category. Portions of the fixed costs will be recovered through an energy or time-of-use charge. To apply the abovementioned principle the cost allocation basis, cost groupings, tariff components and tariff types reflected in the following tables will be used.

<i>Tariff types</i>		<i>Fixed charge Rands / customer / Month</i>	<i>Active Energy charge cents / kWh</i>	<i>Seasonal Time-of-use Energy charge Peak Standard Off-peak</i>	<i>Capacity charge Rands / kVA / month</i>	<i>Reactive energy charge cents / kWh</i>
<i>One part</i>			X			
<i>One part block</i>	<i>Block 1</i>		X			
	<i>Block 2</i>		X			
<i>Two part</i>		X	X			
<i>Three part</i>		X	X		X	
<i>Three part time-of-use high season</i>	<i>Peak</i>	X		X		X
	<i>Standard</i>	X		X		X
	<i>Off-peak</i>	X		X		X
<i>Three part time-of-use low season</i>	<i>Peak</i>	X		X		X
	<i>Standard</i>	X		X		X
	<i>Off-peak</i>	X		X		X
<i>Four part time-of-use high season</i>	<i>Peak</i>	X		X	X	X
	<i>Standard</i>	X		X	X	X
	<i>Off-peak</i>	X		X	X	X
<i>Four part time-of-use low season</i>	<i>Peak</i>	X		X	X	X
	<i>Standard</i>	X		X	X	X
	<i>Off-peak</i>	X		X	X	X

(iii) *For the one-part single energy rate tariff, all costs are expressed in a single cents/kWh charge. The recommended methodology for allocating costs into this tariff is as follows:*

- *The rands / kVa / month cost must be allocated into a cents / kWh charge through consideration of the average load factor of the types of customer who are likely to use the one-part single energy rate tariff.*
- *The rands / customer / month fixed cost should also be allocated into the cents/kWh charge and allocated to the kWh purchase costs in such a way as to ensure that at a level of monthly consumption of 400 kWh, the full amount of the fixed costs would have been recovered through the cents/kWh charge.*

(iv) *The two-part tariff:*

- *The rands / kVa / month charge must be allocated into a cents/kWh charge through consideration of the average load factor of the types of customer who are likely to choose the two-part tariff. This reallocated charge must then be added to the kWh purchase charge.*
- *The rands / customer / month charge is not reallocated into other tariff elements.*
- *The tariff then consists of a fixed monthly charge plus a variable charge related to metered kWh consumption.*

(v) *The two-part time-of-use tariff:*

- *The rands / kVa / month charge must be reallocated into different time-of-use cents / kWh charges through consideration of the load curve of the customer in relation to the load curve of the supplier. Such reallocated charges must then be added to the kWh purchase charges, as appropriate.*
- *The rands / customer / month charge is not reallocated.*

(vi) *The three-part tariff:*

- *The rands / kVa charge recovers the capital cost elements. Some of this cost must be reallocated into different tariff elements.*
- *The cents / kWh charge therefore recovers the full variable costs as well as a portion of the reallocated rands / kVa costs.*
- *The rands / customer / month charge is not reallocated.*

(vii) *The three-part time-of-use tariff:*

- *As with the standard three-part tariff, a portion of the rands / kVa / month charge needs to be reallocated into the various time-of-use cents / kWh charges. Again, the amount of the reallocation should be with regard to the customer's load factor. However, it is also necessary to consider the time-variation of the capacity costs in the reallocation*

of the rands / kVa charge into the various time-of-use cents / kWh charges.

- The cents / kWh charge therefore recovers the full variable costs as well as a portion of the reallocated rands / kVa charges.
- The rands / customer / month charge is not reallocated.

(c) Where council decides to make a profit on the service the profit will be added to the fixed and variable cost before tariffs are calculated.

(d) Where a property is not connected to the electricity reticulation system but can reasonably be so connected, an availability tariff will be payable. The tariff will be calculated by adding a surcharge of 50% to the fixed costs applicable to connected consumers per category.

(e) Electricity meters will be read and levied on a monthly basis unless the service is rendered through a pre-payment device and is recoverable for the past 2 years with issuing of clearance certificates.

(f) The following charges can be levied in addition to the standard monthly charges –

Connections, Reconnections and changes to meters

Amperage change	To change from higher to lower scale	Fixed cost per change of scale
Electricity connections	Single phase connection: Conventional meter: 1 x 20 Amp	Fixed cost per connection
	Single phase connection: Conventional meter: Above 20 Amp	Fixed cost per connection
	Single phase connection: Conventional meter: Additional meter	Fixed cost per connection
	Single phase connection: Pre-paid meter: 1 x 20 Amp	Fixed cost per connection
	Single phase connection: Pre-paid meter: Above 20 Amp	Fixed cost per connection
	Single phase connection: Pre-paid meter: Additional meter	Fixed cost per connection
	Three phase connection	Estimated cost
Reconnection of electricity supply	After temporary disconnection	Fixed cost per reconnection
	Because of non-payment	Fixed cost per reconnection
Tampering with electricity meter (conventional)	Reconnection but supply only to be restored after:	Fixed cost per tampering
	Payment of R889.02 + R88.02	Fixed cost per supply
	Payment of illegally energy consumed	Fixed cost per supply
	Presenting a new-certificate of compliance	Fixed cost per supply
Meter changes	from conventional to pre-paid meter – single phase: voluntary change – single phase	Free
	from conventional to pre-paid meter – single phase: non-payers	Free

	<i>from conventional to pre-paid meter – three phase</i>	<i>Estimated cost</i>
	<i>from pre-paid to conventional meter – single phase</i>	<i>Fixed cost per change</i>
<i>Non-payment of accounts</i>	<i>To serve a reminder by hand/mail i.r.o. a non-payment of account</i>	<i>Fixed cost to serve a reminder</i>
<i>Surcharge i.r.o. late payment of account</i>	<i>First late payment</i>	<i>An amount calculated at a rate of 10% of such an account subject to a maximum of R5 000.00</i>
	<i>Any further late payment within 12 months of the original late payment</i>	<i>An amount calculated at a rate of 10% of such an amount</i>

Miscellaneous services

<i>Meter Testing</i>	<i>Testing of electricity conventional meter</i>	<i>Fixed cost per testing</i>
	<i>Testing of electricity pre-paid meter</i>	<i>Fixed cost per testing</i>
<i>Call out</i>	<i>pre-paid consumers</i>	<i>Fixed cost per call-out</i>
<i>Special meter readings</i>	<i>At consumer's request</i>	<i>Fixed cost per meter reading</i>
	<i>If the consumers contests the meter reading</i>	<i>Fixed cost per meter reading</i>
<i>Investigation i.r.o. power failure</i>	<i>At consumer's request (call out due to consumer's default)</i>	<i>Fixed cost per investigation</i>
<i>Change of current limiter</i>	<i>From higher to lower scale</i>	<i>Fixed cost per change</i>
<i>Testing of installation</i>	<i>Urban</i>	<i>Fixed cost per testing</i>
	<i>Re-inspection test: urban</i>	<i>Fixed cost per re-inspection</i>
	<i>Rural</i>	<i>Fixed cost per testing plus transport</i>
	<i>Re-inspection test: rural</i>	<i>Fixed cost per re-inspection plus transport</i>
<i>Renting out equipment</i>	<i>Generator (per occasion)</i>	<i>Fixed cost per generator</i>
	<i>Transformer (100 KVA)</i>	<i>Fixed cost per transformer</i>

Municipal services

<i>Streetlights</i>	<i>Roads</i>	<i>Fixed cost per light</i>
	<i>Telephone booths & signs</i>	<i>Fixed cost per light</i>
<i>Municipal Electricity Tariffs</i>	<i>Streetlights</i>	<i>Fixed cost cent per unit (kWh)</i>
	<i>Demand Charges HT</i>	<i>Fixed cost cent per unit (kWh)</i>
	<i>Demand Charges LT</i>	<i>Fixed cost cent per unit (kWh)</i>

(2) Water

(a) Unit of measurement –

- (i) Kiloliters used; and/or
- (ii) Size of connection.

(b) Method of calculation –

(i) A basic charge based on the size of the water connection will be payable by all consumers. Provision will be made for the following meter connections –

- 15 mm
- 20 mm
- 25 mm
- 40 mm
- 50 mm
- 75 mm and
- >75 mm

(ii) Stepped tariffs in respect of Domestic Consumers will be calculated for the follow usages –

- 0 - 8kl
- 9- 10 kl
- 11 - 30 kl
- 31 - 55 kl
- 56 - 80 kl
- > 80 kl

(iii) Consumption less than 8 kl of water per month will be supplied free of charge.

(iv) Consumption between 9 – 10 kl of water per month will be supplied break even costs.

(v) The following surcharges will apply to all other categories –

- 11 - 30 kl = 20%
- 31 – 55 kl = 30%
- 55 – 80 kl = 35%
- > 80 kl = 40%

(vi) Kiloliters used; and

(vii) Consumers that can but are not connected to the water service will pay an availability tariff. The tariff will be calculated by dividing the fixed and maintenance cost of the service by the number of properties and average size of the properties in the following categories –

- 1 m² - 2 000m²
- 2 001m² - 5 000m²
- 5 001m² - 10 000m²
- > 10 000m²

- (viii) *Kiloliters used; and*
- (ix) *Break even will be calculated by dividing the total cost by the total volume consumed.*
- (c) *Water meters will be read and levied on a monthly basis and is recoverable for the past 2 years with issuing of clearance certificates.*
- (d) *When consumption is not measured a flat rate will be applicable.*
- (e) *In the time of scarcity of water, Council may declare water restrictions and may charge higher tariffs with a sliding scale as determined by Council.*
- (f) *The following charges can be levied in addition to the standard monthly charges –*
 - *Charges for connections to the main supply;*
 - *Charges for connection of water supply;*
 - *Charges for reconnections;*
 - *Testing of meters;*
 - *Special readings;*
 - *Filling of swimming pools; and*
 - *Any other services.*

(3) Refuse Removal

- (a) *Unit of measurement –*
 - (i) *A fixed rate per month for the removal of refuse once per week;*
 - (ii) *A fixed rate per month for the removal of refuse three times per week;*
 - (iii) *A fixed rate per month for the removal of refuse five times per week;*
- (b) *Method of calculation –*
 - (i) *The mass refuse disposed by the various category consumers will be used to apportion the total cost of the service between the various categories consumers.*
 - (ii) *The costs per unit of measurement will be determined by the total costs of the service by the total mass of refuse disposed of during the year. The total cost of the service includes the removal cost plus the operating cost associated with the management of the refuse site.*
 - (iii) *The cost associated with the removal of bulk containers will be determined by calculating the actual disposal and removal cost (labour, material and transport)* (iv) *The minimum cost for a container service will be equal to one removal per week.* (v) *Opportunity costs for once-off removals will be the actual costs as described in section (3)(b)(iii) plus 20% surcharge.*
- (c) *The monthly levy is payable by the registered owner and is recoverable with issuing of clearance certificates.*

(4) Sewerage

(a) Unit of measurement –

- (i) Size of the erf; and/or*
- (ii) Number of cisterns or urinals; and/or*
- (iii) Formula driven waterborne tariff.*

(b) Method of calculation –

- (i) All owners of undeveloped stands will pay an availability charge based on the average size of an erf (currently calculated between 1 501m² - 3 000m²) and fixed cost associated with the service.*
- (ii) All owners of developed stands will pay a basic charge based on the cost associated with the service and the weighted average of the number of consumers and average size of the stands in a range of stand sizes, as follows –*

- *1m² - 1 500m²*
- *1 501m² - 3 000m²*
- *3 001m² - 10 000m²*
- *10 001m² - 25 000m²*
- *25 001m² - 100 000m²*
- *100 000m² - 300 000m²*
- *> 300 000m²*

- (c) Waterborne tariffs will be based on the variable cost of the service per category user and the number of cisterns or urinals.*

- (d) The cost of emptying conservancy tanks will be based on the volume disposed and the cost associated therewith. An average tariff per user will be calculated.*

- (e) The cost associated with bucket removals will be based on the volume removed. An average tariff per bucket will be calculated.*

- (f) Any person or business that allows sewerage other than domestic sewerage into the foal sewer system shall pay over and above a fixed tariff based on the size of the erf a waterborne tariff based on the following formula –*

- *$C = Vt / 100 (R + T (CODt/1000))$*
- *C = Rands*
- *Vt = Kiloliters of effluent (excluding domestic volume)*
- *R = Cost of conveying of 1 Kiloliter effluent*
- *T = Cost or treating of 1kg COD*
- *CODt = Average chemical oxygen demand per mg per litre of effluent.*

- (g) *A fixed minimum tariff will be calculated for the following services –*
- *Buckets (removal)*
 - *Septic tanks (removal)*
 - *Cost of incineration (mass).*
- (h) *The levy is payable by the registered owner and recoverable with issuing of clearance certificate.*
- (i) *The following charges can be levied by Council in addition to the standard monthly charges –*
- *Sealing of openings and re-opening of sealed connections;*
 - *Opening of blockages and alterations to gullies;*
 - *Connections to the sewerage system;*
 - *Vacuum tank services;*
 - *The removal of dead animals;*
 - *The removal of specific type of refuses i.e. medical waste, building refuse, garden refuse, redundant vehicles, collection and destruction of foodstuff, unlawful dumped refuse;*
 - *Cleaning premises of long grass, weeds, shrubs and accumulation of refuse;*
 - *Dumping of refuse on a municipal dumping site;*
 - *Sale of plastic bags and refuse bins if available;*
 - *Rental of mass containers; and*
 - *Any other related services.*

(5) Other Municipal Services

- (a) *The following charges can be levied by Council in relation to services provide –*
- *Abattoirs;*
 - *Aerial photos;*
 - *Air pollution control;*
 - *Angling permits;*
 - *Billboards*
 - *Building plans;*
 - *Burials and cemeteries;*
 - *Caravan and Camping facilities*
 - *Cleansing;*
 - *Control of public nuisances;*
 - *Control of undertakings that sell liquor to the public*
 - *Distribution of hand-bills;*
 - *Dog licensing;*
 - *Environmental and waste management;*
 - *Facilities for accommodation, care and burial of animals;*
 - *Fencing and fences;*
 - *Fire fighting services;*
 - *Health and ambulance services;*

- *Holiday resorts;*
- *Interest rates charged;*
- *Letting of Municipal facilities;*
- *Leasing of Municipal properties;*
- *Libraries;*
- *Licensing and control of undertakings that sell food to the public;*
- *Licensing of motor vehicles and transport permits;*
- *Local amenities;*
- *Local tourism promotion;*
- *Markets;*
- *Municipal parks and recreation;*
- *Municipal roads;*
- *Museums*
- *Nature reserves;*
- *Noise pollution ;*
- *Parking;*
- *Photocopies;*
- *Pound fees;*
- *Public places;*
- *Recreation resorts;*
- *Reference and information fees;*
- *Rezoning;*
- *Road signs;*
- *Sports grounds;*
- *Street lighting;*
- *Storm-water management;*
- *Tender deposits;*
- *Town planning;*
- *Trade License;*
- *Traffic Control;*
- *Training Courses; and*
- *Miscellaneous Tariffs.*

Rates Policy

Date approved : 10 May 2011

Operation date: 1 July 2011

1. Introduction

- (1) The policy of the Albert Luthuli Municipality for levying rates on rateable property is set out in this document. The Council adheres to all legislative and regulatory requirements.
- (2) The Rates Policy only covers the imposition of rates on property which has been valued according to the Municipal Property Rates Act and regulations as published under Government Notice 1856 of 2005 in Government Gazette 28113 dated 13 October 2005 and does not rule or guide the processes of property valuation or approval of the valuation roll.
- (3) As part of each annual operating budget the Council is obliged to impose a rate in the rand on the market value of all rateable properties as recorded in the municipality's valuation roll or supplementary valuation roll(s).
- (4) The Council is required to approve an annual operating budget prior to the commencement of each financial year and the income from rates must be used to finance in full or in part, the annual operating expenditure of the Council as reflected in such budget.
- (5) Generally, all land within the Albert Luthuli Municipal area of jurisdiction is rateable unless it is specifically exempted as set out in this Policy.
- (6) Rateable property includes any rights registered against such property, with the exception of a mortgage bond.
- (7) This Policy is designed to ensure equitable treatment by the Council in the levying of rates on property owners.
- (8) This Policy must be read in conjunction with the provisions of any applicable Town Planning Scheme, and any other legislation pertaining to the use of the property.

2. Definitions

In addition to the definitions contained in both the MPRA and the MFMA, in this policy, unless the context indicates otherwise –

“agriculture” means any business consisting of cultivation or soil, the gathering in of crops, the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms;

“business” means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of mining and farming;

“government” in the context of ownership, means owned and exclusively used by an organ of the state, excluding non-urban properties used for residential or agricultural purposes or not in use;

“improvement” means any building or structure on or under a property, including –

- a structure constructed solely for the purpose of rendering the property suitable for the erection of any immovable structure thereon; and
 - buildings, structures and equipment or machinery referred to in Section 46(3) of the MPRA;
- “indigents”** means households registered under the municipality’s Indigent Policy;
- “industrial”** means branch of trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated parts, on so large scale that capital and labour are significantly involved. This includes factories as defined in the Machinery and Building Work Act, Act 22 of 1941, as amended and includes any office or other accommodation on the same erf, the use of which is incidental to the use of such factory;
- “Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
- “Municipal Structures Act”** means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
- “Municipal Financial Management Act”** and **“MFMA”** means the Local Government: Municipal Systems Act, 2005 (Act No. 56 of 2005);
- “Municipal Property Rates Act”** and **“MPRA”** means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- “mining”** means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto;
- “municipal”** in the context of ownership, means owned and exclusively used by the municipality;
- “multiple use”** means a property that cannot be assigned to a single category due to the different uses of such property
- “new private infrastructure developments”** means single properties divided (through subdivision or township establishment) into 10 or more full title units and all services, inclusive of water, sewerage, electricity and roads are installed by the developer at his own cost;
- “non-urban”** means land which is not situated in an approved township and used for residential or agricultural purposes or not in use
- “power station”** means any electricity generating infrastructure licensed under the Electricity Regulation Act, 2006 (Act No. 4 of 2006) but excludes electrical distribution and transmission infrastructure.
- “public benefit organization”** means an organization conducting any specified public benefit activity listed in item (1)(welfare and humanitarian, item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act.
- “public worship”** means a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship;
- “residential”** means a suite of rooms which form a living unit that is exclusively used for human habitation purposes, or a multiple number of such units on a property, excluding a hotel, commune, boarding and lodging undertaking, hostel and place of instruction; *excluding non-urban properties where housing is provided for the exclusive use of agricultural staff;*
- “urban land”** means land which is situated within a proclaimed township;
- “vacant land”** means land on which no immovable improvements have been erected; or
- “zoned”** means the purpose for which land may lawfully be used or on which buildings may be erected or used, or both, as contained in any applicable Town Planning Scheme.

3. Legislative Framework

- (1) The Constitution of the Republic of South Africa 1996 empowers the Council to impose rates on property in terms of section 229(1)(a).
- (2) In terms of section 4(1)(c)(ii) of the Municipal Systems Act, the Council may, *inter alia*, levy rates on property.
- (3) In terms of section 62(1)(f)(ii) of the Municipal Financial Management Act, the Municipal Manager, must, in his capacity as the Council's accounting officer, ensure that the Council has and implements a rates policy.
- (4) The Council –
 - (a) must, in terms of section 3(1) of the Municipal Property Rates Act, adopt a Rates Policy consistent with the Act on the levying of rates on rateable property in the municipality;
 - (b) must, in terms of section 6(1) of the MPRA, adopt by-laws to give effect to the implementation of its Rates Policy; and
 - (c) must, in terms of section 5(1) of the MPRA, annually review, and may, if necessary, amend its Rates Policy. Proposals for reviewing the Rates Policy must be considered by the Council in conjunction with its annual operating budget.
- (5) This Policy is drafted in compliance with the provisions of the MPRA and must be read within the context of the Act.

4. Principles

In formulating the rates policy for the Municipality the following guiding principles will be taken into account –

- (1) **Equity** – *that all categories of property and categories of owners be treated equitably in relation to each other;*
- (2) **Affordability** – *that the rates policy should take into account issues of affordability across categories of owners;*
- (3) **Poverty Alleviation** – *that the rates policy should facilitate poverty alleviation within the context of the mechanisms at its disposal;*
- (4) **Social and Economic Development** – *that the rates policy should within the context of the mechanisms at its disposal seek to enhance social and economic development;*
- (5) **Financial Sustainability and Cost Efficiency** – *that the rates policy should be cost efficient and should enhance the financial sustainability of the municipality;*
- (6) **Encourage Development of Property** – *that the rates policy should utilize the mechanism at its disposal to encourage the development of property in line with the socio-economic development needs and goals of the municipality;*

- (7) **Community Participation** – *that the rates policy should be reflective of issues and options expressed during public engagements*

5. **Objectives**

The objectives of this Rates Policy are –

- (1) to ensure the promotion of efficient, economic and effective use of resources;
- (2) to promote development and endeavour to attract investment for job creation;
- (3) to spread the rates burden impartially, fairly, equitably and without bias;
- (4) to create an opportunity for public participation in policy making;
- (5) to contribute towards the accountability of the municipality;
- (6) to contribute towards the transparency of the municipality;
- (7) to contribute towards the financial sustainability of the municipality;
- (8) to protect citizens against exploitation by the municipality;
- (9) *to ensure that all owners of rateable property are informed about their liability for rates;*
- (10) *to specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates;*
- (11) *to set out the criteria to be applied by the Council if it –*
 - (a) *increases rates; and*
 - (b) *levies differential rates on different categories of property;*
- (12) *to recognise the State, organs of state and the owners of public service infrastructure as property owners;*
- (13) *to ensure that all persons liable for rates are treated equitably; and*
- (14) *to provide that any rebate contemplated in this Policy is to the benefit the owner in occupation of the property.*

6. **Procedures**

In order to operationalise the principles and objectives, the following processes will be undertaken –

- (1) The Council shall annually review, and if necessary, amend this Rates Policy in compliance with section 5(1) of the MPRA and according to the budget timetable tabled by the Executive Mayor in accordance with Section 21(1)(b)(ii)(bb) of the MFMA.
- (2) The Council shall as part of each annual operating budget determine a rate in the rand for every category of property as listed under paragraph 9.1 of this Policy.

- (3) The determination of such rate shall be undertaken within the constraints set out in section 16 of the MPRA.
- (4) No rates shall be levied on properties listed in section 17 of the MPRA.
- (5) Any amendments to this Rates Policy must accompany the municipality's annual budget when it is tabled in the council in terms of section 16(2) of the MFMA.
- (6) Community participation will take place in accordance with the prescripts of the MPRA, including –
 - (a) the document made public;
 - (b) the document will be displayed at the head and satellite offices and libraries of the municipality;
 - (c) an electronic copy will be placed on the municipality's official website;
 - (d) local community of the municipality will be notified of the place, including website address, where detailed particulars can be obtained; and
 - (e) local communities will be invited to submit written comments or representations to the municipality in respect of the published document.

7. Valuation

- (1) A general valuation of all rateable properties will be undertaken and a valuation roll compiled every four (4) years.
- (2) Supplementary valuations will be undertaken on an ongoing basis and in terms of section 78 of the MPRA.
- (3) Supplementary valuation rolls will be compiled once a year.
- (4) Amendments to the valuation roll to reflect changes to the owner, address or other prescribed particulars as contemplated by section 79 of the MPRA will be done annually and only the electronic copy of the valuation roll will be updated.

8. Liability for Rates

- (1) A rate levied by the municipality on a property must be paid by the owner of the property as required under section 24 of the MPRA.
- (2) When transfer of property takes place, the payment of property rates becomes the responsibility of the new owner from date of registration by the Registrar of Deeds.
- (3) Rates are levied on an annual basis at the start of the financial year as per section 12(1) of the MPRA, but for the convenience for ratepayers raised monthly on combined consumer accounts and payable within seven (7) working days of the following month according to the payment cut-off date stipulated on the specific monthly account.
- (4) Annually levied property tax and tariffs may not be changed during a financial year except for the purpose of a financial recovery plan as per section 28(6) of the MFMA.

- (5) Arrear payment on property rates at the monthly or annually due dates, are subject to interest as stipulated by section 97(1)(e) of the Municipal Systems Act at a rate equal to the prime plus 1% overdraft rate as from time to time determined by the banker keeping the municipality's primary bank account.
- (6) When rates are levied in respect of a full financial year, the responsibility vests on the first day of that financial year.
- (7) When rates are levied in respect of a valuation in a supplementary valuation roll, and the rates on that valuation are levied for the first time, the liability to pay the rates vests on the first day of the month following the completion of the public inspection period required by section 50 of the MPRA.
- (8) The final day for payment of annually levied and payable rates is 30 September of the specific financial year.
- (9) Any decision on the deferment of payment of a rate is subject to the stipulations of the municipality's Credit Control and Debt Collection Policy.
- (10) The municipality may recover arrear rates from tenants or occupiers of rated property, or from agents of the owner of such property equal to the value of unpaid rental in terms of sections 28 and 29 of the MPRA.

9. Determination of Categories

Categories of Properties

- (1) The Municipality identifies the following categories of properties on which differential rates may be levied –
 - (a) residential;
 - (b) industrial;
 - (c) business and commercial;
 - (d) mining;
 - (e) farms used for agricultural purposes;
 - (f) farms used for eco-tourism purposes;
 - (g) farms used for trading in or hunting of game purposes;
 - (h) farms used for townships (farms with unregistered township) purposes;
 - (i) farms used for business and commercial purposes;
 - (j) farms used for residential purposes;
 - (k) farms used for other purposes;
 - (l) smallholdings used for agricultural or residential purposes;
 - (m) smallholdings used for industrial, business and commercial purposes;
 - (n) smallholdings used for other purposes;
 - (o) state trust land;
 - (p) protected areas;
 - (q) *municipal*;
 - (r) government business;
 - (s) government residential;
 - (t) government schools;

- (u) government other;
 - (v) *public service infrastructure, excluding power stations;*
 - (w) *power stations;*
 - (x) public worship;
 - (y) sectional schemes residential;
 - (z) sectional schemes business
 - (aa) sectional schemes other; and
 - (bb) multiple use properties.
- (2) *Properties will be assigned to a category based on the actual use of the property and by the permitted use of the property.*
- (3) *Any property which is used in conflict to its zoning will be rated at the tariff applicable to business and commercial.*
- (4) *Any property not falling within any category set out under paragraph 9.1 shall be deemed to be business, commercial and industrial for the purposes of levying a rate.*

Multiple Use Properties

- (1) *In determining the rating of multiple use properties the Municipality will classify a property based on their dominant use in terms of Section 9(1)(b) of the MPRA.*

Categories of Owners of Properties

- (1) The Municipality identifies the following categories of owners of properties to which exemption, rebates or reductions may be offered -
- (i) indigent owners;
 - (ii) owners of residential properties with a market value lower than an amount determined by the municipality;
 - (iii) property owned by public benefit organizations and used for any specific public benefit activities;
 - (iv) welfare organizations registered in terms of the National Welfare Act, 1978 (Act 100 of 1978);
 - (v) institutions or organizations which, in the opinion of the Council of the municipality performs charitable work;
 - (vi) institutions or organizations which, in the opinion of the Council of the municipality provide health services which are not operated with the intention to make profit;
 - (vii) public benefit organizations performing specified public benefit activities;
 - (vii) private persons owning cemeteries and crematoriums which are used exclusively for burials and cremations of human remains, as the case may be;
 - (viii) private persons owning museums, art galleries, libraries and botanical gardens which are open to public, whether admission is charged or not;
 - (ix) owners of land on which national monuments are located;
 - (x) trustee or trustees of any organization which is being maintained for the welfare of war veterans as defined in Section 1 of the Social Aid Act (House of Assembly), 1989, Act 37 of 1989, and their families;
 - (xi) owners of sport grounds used for the purposes of amateur sport and any social activities which are connected with such sport;

- (xii) Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers or any organization which is in the opinion of the municipality similar to any of these;
 - (xiii) declared institutions as defined in Section 1 of the Cultural Institutions Act, 1969, Act 29 of 1969, or the Cultural Institutions Act (House of Assembly), 1989, Act 66 of 1989; and
 - (xiv) *owners of new private infrastructure developments.*
- (2) The selected categories of properties specified in paragraph 9.1 are further described as follows-

Residential

- (a) *Residential property includes –*
- (i) *property zoned and used for residential purposes but excluding any business or commercial zoned property with a residential component or residential with consent use; and*
 - (ii) *property zoned residential and used solely for residential purposes held in terms of the Sectional Titles Act.*
- (b) *Where for historical reasons, a property has been developed and is used exclusively as residential irrespective of the current zoning, the residential tariff will be applicable, and the scale of residential property value reductions and rebates will be applicable to such property.*

Industrial

- (c) *Industrial property includes –*
- (i) *property zoned for industrial purposes; and*
 - (ii) *property zoned general, special or undetermined which is used for industrial commercial purposes, unless such property is used for residential purposes in which case the residential tariff will be applied (the scale of residential property value reductions and rebates will be applicable to such properties used for residential purposes).*
 - (iii) *The sectional title owner shall be liable for rates on properties held in terms of the Sectional Titles Act used for industrial purposes.*

Business and Commercial

- (d) *Business and commercial property includes –*
- (i) *property zoned for business or commercial purposes; and*
 - (ii) *property zoned general, special or undetermined which is used for business or commercial purposes, unless such property is used for residential purposes in which case the residential tariff will be applied (the scale of residential property value reductions and rebates will be applicable to such properties used for residential purposes).*
- (e) *The sectional title owner shall be liable for rates on properties held in terms of the Sectional Titles Act used for business purposes.*
- (f) The tariff for businesses conducted from residential premises shall be determined as the aggregate tariff for the residential and business category. This will exclude Guest Rooms

which will be rated as business, but includes residential properties with second dwellings and duets not subject to a sectional title scheme. The normal residential tariff applies where parents occupy these units in terms of council policy.

Mining

- (g) Based on the level of services (roads, sewerage, electricity, water, refuse removal) provided by the municipality a tariff equal the business tariff shall be applicable for the category “mining” or the rate determined in the framework of the yearly macro directives issued by the national treasury or other relevant regulations issued on a year to year basis at the time of tabling the annual operating budget.
- (h) An approved Social Labor Programs and Programs of Social Upliftment of Society as approved by the Department of Minerals and Energy must be submitted to the Municipality with the application for rebates.

Agricultural

- (i) Rates for farms used for agricultural purposes will be determined by taking into account the –
 - (i) extent of municipal services provided (roads, sewerage, electricity, water, refuse removal);
 - (ii) contribution of agriculture to the local economy;
 - (iii) extent to which agriculture assists in meeting service delivery and development obligations of the municipality; and
 - (iv) contribution to the social and economic welfare of farm workers.
- (j) All farms used for agricultural purposes regardless of their usage or category shall be levied by the Municipality at the same rate as determined by the Municipality in its approved yearly budget.
- (k) The same rates as levied on agricultural farms shall be levied on farms used for eco-tourism and farms used for trading in or hunting of game.

Smallholdings

- (l) Smallholdings used for residential or agricultural purposes in non-urban areas shall be rated equal to “residential” tariff based on the level of services provided by the municipality and its non-urban location.
- (m) Smallholdings used for residential or agricultural purposes in urban areas shall be rated equal to “residential” tariff.

Municipal

- (n) *Municipal leased properties include any property (or part thereof) which has been leased to a third party.*

- (o) *Municipal business property includes properties that are owned by the municipality and used for offices, storage, workshops or other operational purposes.*
- (p) *Municipal residential property includes properties that are owned by the municipality and used for residential purposes by municipal staff; and municipal housing schemes.*
- (q) *Municipal agriculture includes all non-urban properties owned by the municipality;*
- (r) *Municipal public service infrastructure includes –*
 - (i) *public service infrastructure owned by the Council or a service provider, including public service infrastructure vested in the Council by virtue of the provisions of Section 63 of the Local Government Ordinance 17 of 1939, or any other similar provision;*
 - (ii) *refuse tip sites;*
 - (iii) *municipal burial grounds and adjacent public open space within the burial ground precinct and municipal crematoria;*
 - (iv) *property used for the provision of public parks and zoned as public open space and includes undeveloped municipal property which is for the purposes of this Policy deemed to be public open space; and*
 - (v) *property used for culture, sporting and recreational facilities other than property subject to a registered lease.*
- (s) *Properties in the “Municipal” category are exempted unless a lease agreement for such a property (or part thereof) exists.*

Government

- (t) *Government business property includes properties that are owned by government (excluding the municipality) and used for offices, storage, workshops or other operational purposes.*
- (u) *Government residential property includes properties that are owned by government (excluding the municipality) and used for residential purposes by government staff; and government housing schemes.*
- (v) *Government school properties includes all properties owned by government (excluding the municipality) used for educational purposes;*
- (w) *Government other properties includes all properties owned by government (excluding the municipality) used for agricultural purposes or any purpose not included under business, residential or school.*

Public Service Infrastructure

- (x) *Public service infrastructure, excluding power stations relate to essential services and shall be exempted from property rates.*
- (y) *Power stations shall be exempted from the first 30% of the market value of the power station.*

Sectional Title

- (z) Properties held under sectional title will have rateable values assessed for each unit separately.

10. Criteria used for setting Rates

- (1) The determination of such rate shall concur with the limits as per Section 16(1) of the MPRA on property that would materially and unreasonably prejudice –

- national economic policies;
- economic activities across the municipal boundaries;
- the national mobility of goods, services, capital and labour;

and therefore, in terms of Section 17(1) of the MPRA specified impermissible rates are excluded from the rating structure and are reflected as exemptions in this Policy.

- (2) *The prescribed rate ratio relative to residential properties shall be –*

- *1:0.25 for agricultural properties;*
- *1:0.25 for non-residential categories public service infrastructure; and*
- *1:0.25 for public benefit organizations.*

- (3) *The following factors may be taken into consideration for the purpose of differential rating –*

- (a) the impact of rates on the community;
- (b) the impact of rates on businesses;
- (c) the current economic climate;
- (d) the Integrated Development Plan (IDP) of the municipality;
- (e) the Town Development Strategy and Financial Plan of the municipality;
- (f) mitigating major shocks to ratepayers when moving from a site rating to the total market value (land and buildings) of a property;
- (g) *the need to alleviate the rates burden on the owners of any particular category of property.*
- (h) *the effects of rates on the property on the promotion of the social and economic development of a municipality;*
- (i) the fundamental principle that taxpayers in similar circumstances should pay similar levels of tax, and that taxpayers with greater ability to pay should pay larger amounts of tax – and that the value of a ratepayer's property is the proxy or surrogate for the ability to pay;
- (j) the historical level of rates levied upon the various categories of properties and to minimize the impact of dramatic changes on ratepayers;
- (k) the circumstances of individual ratepayers are only taken into account in respect to any exemptions, rebates or reduction that may be granted;

- (4) The Municipal Valuer will be responsible for the categorization of properties within the municipality in the valuation roll and supplementary valuation roll, and the updating thereof to reflect any changes in use or categorization.

- (5) *In determining the level of increases in rates, the criteria to be applied may include the following-*
- (a) *the inflation rate as indicated by the consumer price index excluding mortgage bonds;*
 - (b) *the financing of increased operating expenditure in the budget of the Council;*
 - (c) *the financing of additional maintenance expenditure included in the operating budget of the Council;*
 - (d) *the financing of additional depreciation charges included in the operating budget of the Council;*
 - (e) *the additional cost of servicing debt included in the operating budget of the Council;*
 - (f) *the augmentation of any revenue shortfall;*
 - (g) *the financing from the annual operating budget of expenditure related to anything the Council is lawfully empowered to do for which provision has to be made in the budget; and*
 - (h) *the taking into consideration of the medium term budget growth factors as determined by National Treasury.*
- (6) In considering affordability, the total municipal account, and not only the rates account will be considered. The Council of the municipality will endeavour to limit the annual increase in the revenue from property rates to a threshold in the framework of the yearly macro directives issued by the national treasury or other relevant regulations issued on a year to year basis at the time of tabling the annual operating budget, except when the approved Integrated Development Plan of the municipality demand for a greater increase.

11. Exemptions granted under section 17(1) of the MPRA

The following categories of property shall be exempted from the payment of rates –

- (1) on the first 30% of the market value of power stations;
- (2) those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, agricultural or residential purposes;
- (3) on mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1;
- (4) on a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds;
- (5) on the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the municipality –
 - (a) for residential properties: or
 - (b) for properties used for multiple purposes, provided one or more components of the property are used for residential purposes; or
- (6) a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

12. Exemptions granted under section 15(1)(a) of the MPRA

- (1) All applications for exemptions shall be made to the Municipality through its income section in the prescribed form approved by the Albert Luthuli Municipal Council.
- (2) The discretion to grant such an application shall solely lie with the Municipality and shall be no appeal to such a decision.
- (3) The following categories of property shall be exempted from the payment of rates –
 - (a) properties classified as Municipal shall be exempt from the payment of rates, unless such a property (or part thereof) is subject to a lease in which case rates shall be payable by the lessee on that property (or part thereof): Provided that the lessee shall not pay rates on the property if the lessee is exempted in terms of this Policy; and
 - (b) properties classified as public services infrastructure shall be exempted from the payment of rates.
- (4) The following categories of owners of property shall be exempted from the payment of rates –
 - (a) property registered in the name of a welfare organization registered in terms of the National Welfare Act, 1978 (Act 100 of 1978);
 - (b) property registered in the name of an institution or organization which, in the opinion of the Council of the municipality performs charitable work;
 - (c) hospitals, clinics and institutions for mentally ill persons which are not operated with the intention to make profit;
 - (d) property registered in the name of a public benefit organization performing specified public benefit activities;
 - (e) cemeteries and crematoriums which are registered in the names of private persons and which are used exclusively for burials and cremations of human remains, as the case may be;
 - (f) museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and which are open to public, whether admission is charged or not;
 - (g) national monuments including ancillary business activities at national monuments;
 - (h) property registered in the name of a trustee or trustees or any organization which is being maintained for the welfare of war veterans as defined in Section 1 of the Social Aid Act (House of Assembly), 1989, Act 37 of 1989, and their families;
 - (i) sport grounds used for the purposes of amateur sport and any social activities which are connected with such sport;
 - (j) property registered in the name of the Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers or any organization which is in the opinion of the municipality similar to any of these or any rateable property let by the municipality to any such organization; and
 - (k) property registered in the name of a declared institution as defined in Section 1 of the Cultural Institutions Act, 1969, Act 29 of 1969, or the Cultural Institutions Act (House of Assembly), 1989, Act 66 of 1989.
- (5) The exemptions listed under paragraph 12.4 above may only be granted upon formal written applications submitted by the owners for consideration in terms of Section 15(2) of the MPRA.

13. Rebates and Reductions granted under section 15(1)(b) of the MPRA

- (1) All applications for rebates and reductions shall be made to the Municipality through its income section in the prescribed form approved by the Albert Luthuli Municipal Council.
- (2) The granting of rebates and deductions shall be solely at the discretion of the Municipality and no appeals regarding such determinations shall be considered.
- (3) When an owner of a property qualifies for more than one rebate on a given property at a given time, each rebate will be calculated on the total levy amount, *subject to the total rebate not exceeding 100%.*
- (4) The exemptions listed under this paragraph above may only be granted upon formal written applications submitted by the owners for consideration in terms of Section 15(2) of the MPRA.
- (5) The following categories of owners of property shall be exempted from the payment of rates –
 - (a) indigent households registered in terms of the Indigent Policy of the Municipality will receive a rebate as determined by the Free Basic Services Policy of the Municipality: *provided that the property is occupied by the member of the indigent household who owns the property;*
 - (b) owners dependent on pensions or social grants for their livelihood will receive a 20% rebate on the balance of the value of their property (i.e. the rateable value of their property less the R 15 000.00 exemption granted under section 3.3.5 above), provided that –
 - (i) the combined income of the owner and his/her spouse does not exceed R46 500.00 per annum;
 - (ii) the property is occupied by the owner; and
 - (iii) the owner must be over the age of 60 years or must be the breadwinner and totally dependent on a social disability pension or any other pension comparable to social disability pension.
 - (c) *Owners of property of new private infrastructure developments where a single property becomes divided through either subdivision or township establishment into 10 or more full title units and all services inclusive of water, sewerage and electricity and roads are installed by the developer at his own cost will receive an 85% rebate on the rateable value of the each property for a period of two (2) years from the date of registration of the subdivision or the proclamation of the township or for a shorter period until the newly created units are sold off or improved before expiry of two (2) year period.*
- (6) *The rebates set out in paragraphs 13.5.1 and 13.5.2 shall only be granted to owners who are resident in the ...; provide that any rebate contemplated in this Policy is to the benefit the owner in occupation of the property.*
- (7) As required by section 21 of the MPRA, all newly rateable property must be phased in, and the rebates offered by the Municipality are as follows –
 - (a) In the 2008/2009 financial year a rebate of 75% on the rateable value of the property;
 - (b) In the 2009/2010 financial year a rebate of 50% on the rateable value of the property;
 - (c) In the 2010/2011 financial year 25% on the rateable value of the property; and
 - (d) In the 2011/2012 financial year the full rate will be payable without any rebate.

- (8) Developed and vacant non-urban land will be permitted a deduction of -
- (a) 100% of the pro-rata value of the property on the first 5 hectares thereof;
 - (b) 75% of the pro-rata value on the property on the next 5 hectares thereof;
 - (c) 50% of the pro-rata value of the property on the next 5 hectares thereof;
 - (d) 25% of the pro-rata value of the property on the next 25 hectares thereof;
 - (e) 1% of the pro-rata value of the remainder thereof in excess of 40 hectares.

14. Reporting

- (1) The Municipal Manager must annually within two months from the end of a financial year table in Council according to Section 15(3) and (4) of the MPRA with relation to that financial year the following:
- (a) such exemptions, rebates and reductions;
 - (b) exclusions referred to in Section 17(1)(a), (e), (g), (h) and (i) of the MPRA; and
 - (c) the phasing-in discount granted in terms of Section 21 of the MPRA.
- (2) All exemptions, rebates and reductions projected for a financial year must be reflected in the municipality's annual budget for that year as:
- (a) income on the Revenue side; and
 - (b) expenditure on the Expenditure side.

15. Disclaimer

- (1) Any rate to be levied on rateable property in terms of this policy or any section of applicable legislation and by way of oversight or any other error not levied, cannot be challenged on the basis of non-compliance with this policy, and must be paid in accordance with the required payment provision.
- (2) Where a ratepayer believes that the Council has failed to properly apply this policy he/she should raise the matter with the Municipal Manager.

Date approved : 10 May 2011

Operation date: 1 July 2011

Explanatory Note: This Policy is applicable to Albert Luthuli Municipality (hereinafter referred to as “the Municipality”) only. In terms of Section 80 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000); the Municipality may enter into service delivery agreements with service providers to provide municipal services to customers. In such instances the internal Credit Control and Debt Collection Policies of those entities may differ from this Policy, but shall be subject to the promulgated Credit Control and Debt Collection By-laws.)

1. Introduction

WHEREAS it is an object of Local Government under the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996), to ensure the provision of services to communities in a sustainable manner;

AND WHEREAS every municipal Council must, under section 98(1) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), adopt policies to give effect to the Municipality’s credit control and debt collection, its implementation and enforcement;

NOW THEREFORE the following is adopted as the “Credit Control and Debt Collection Policy”:

2. Objectives

2.1. The objectives of these policies are to:

- 2.1.1. Provide a framework within which the municipal council can exercise its executive and legislative authority with regard to credit control and debt collection;
- 2.1.2. Ensure that all monies due and payable to the municipality are collected and used to deliver municipal services in the best interest of the community, residents and ratepayers and in a financially sustainable manner;
- 2.1.3. Outline the procedures that will ensure that the members of the local community are afforded the opportunity to contribute in the decision-making processes of the municipality and that they are informed of the decisions and affairs of the municipality;
- 2.1.4. Set realistic targets for debt collection;
- 2.1.5. Outline credit control and debt collection policy procedures and mechanisms;
- 2.1.6. Recognize the municipality’s constitutional obligations to develop the local economy and to provide affordable and acceptable services to all its residents, consumers of services and ratepayers;
- 2.1.7. Acknowledges the fact that it cannot fulfil these constitutional obligations unless it exacts payment for the services which it provides and for the assessment rates which it legitimately levies complete and in full from those residents who can afford to pay, and in accordance with its indigence relief measures for those who qualify as indigents in terms of the council’s approved and adopted indigence management policy; and
- 2.1.8. To describe credit control measures and sequence of events.

3. Definitions

In this Policy, unless the context indicates otherwise:

“Act” means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);

“Charges” means surcharges on fees, penalties, property rates, taxes, levies and duties;

“Council” means -

- (a) the Municipal Council of Albert Luthuli Local Municipality established by Provincial Notice No 299 dated 1 October 2000, as amended, or its successor in title and any committee or person to which or to whom an instruction has been given or any power has been delegated in terms of, or as contemplated in, Section 59 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), or
- (b) a service provider in respect of any power, function or duty of the Council as contemplated in paragraph (a), assigned by it for the purposes of this Policy to that service provider in terms of Section 81(2) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) .

“Customer” means the owner of any premises upon which charges are levied as well as a person to whom a service provider supplies services, and the occupier thereof, where applicable;

“Day” means a calendar day and a period of days are calculated by excluding the first day of the period and including the last day, unless the last day falls on a Saturday, Sunday or public holiday in which event the period is calculated with the exclusion of the first day and also of the Saturday, Sunday or public holiday;

“Debtor” means a person owing an amount of money to the Municipality for a reason other than through the provision of municipal services;

“Employer” means an employer as defined in Paragraph 1 of the Seventh Schedule of the Income Tax Act, 1962 (Act No 58 of 1962);

“Implementing authority” means the Municipal Manager of the Council or any other Official delegated by the Municipal Manager to implement and enforce the Council’s Credit Control and Debt Collection Policy;

“Municipal account” means any municipal service charge, tax or other fees, interest and charges due in terms of a contract or approved tariff or rate, which is outstanding after the due date, normally appearing on the consolidated account, or overdue in terms of the contract or any other due date that has passed;

“Municipality” means the Albert Luthuli Local Municipality;

“Occupier” includes any person in actual occupation of premises without regard to the title under which they occupy, if any;

“Owner” in relation to premises means:

- (a) a person who from time to time is registered as such in a deeds registry as defined in the Deeds Registries Act, 1937 (Act No 47 of 1937); or

- (b) where the person is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of their property is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative; or
- (c) where a Sectional Title Register has been opened under Section 8 of the Titles Act, 1971 (Act No 66 of 1971), the body corporate as defined in that Act, and includes any person receiving rent for the premises whether for their own account or as agent for a person entitled to it. Is it still applicable i.e. the MPRA?

“Person” means any natural person, local government body or similar authority, a company or close corporation incorporated under any law, a body of persons whether incorporated or not, a statutory body, public utility body, voluntary association or trust;

“Premises” means any piece of land which is situated in the area of jurisdiction of the Council, the external surface boundaries of which are delineated on:

- (a) A General Plan or Diagram registered under the Land Survey Act, 1927 (Act No 9 of 1927), or under the Deeds Registries Act, 194(3)7 (Act No 47 of 1937); or
- (b) A Sectional Title Register opened under Section 8 of the Sectional Titles Act, 1971 (Act No 66 of 1971).

“Service” means any service rendered by or on behalf of the Council, in respect of which an account may be rendered, excluding any service rendered by the Council as an agent for another principal; and **“services”** has a corresponding meaning;

“Standard rate of interest” means the interest rate as determined by the Minister of Finance from time to time under Section 89 of the Income Tax Act, 1962 (Act No 58 of 1962) and published in the Gazette; interest rate i.t.o. the budget is prime rate plus 1%.

“Supervisory authority” means the Municipality’s Mayoral Committee

4. Principles

- 4.1. The administrative integrity of the Municipality must be maintained at all costs. The democratically elected officials (councillors) are responsible for policy-making, while it is the responsibility of the Municipal Manager or any other Official delegated by the Municipal Manager to execute these policies.
- 4.2. Prospective consumers must complete an official municipal application form formally requesting the Municipality to provide them with electricity and water.
- 4.3. A copy of the official municipal application form, conditions of services and applicable extracts from the adopted Council’s Credit Control and Debt Collection Policy and By-laws must be handed to every consumer on request.
- 4.4. Monthly Billing of municipal accounts is to be accurate, timeous and understandable.
- 4.5. The Consumer is entitled to have access to all municipal cashier or pay points and to a variety of reliable payment methods, including third party payments i.e. the South African Post Office (SAPO).

- 4.6. The Consumer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of such a reasonable appeal.
- 4.7. Enforcement of payment must be prompt, consistent and effective at all time and applicable to all ratepayers or consumers of services rendered by the municipality.
- 4.8. Fraud and/or criminal offences can lead to the loss of rights and heavy penalties and/or public prosecution could be instituted by the municipality on the perpetrator if he or she should be found guilty.
- 4.9. Payment Incentives and disincentives may be used in collection procedures and during the collection process.
- 4.10. The collection process must at all times be cost-effective and within the approved budget of the Municipality/Council.
- 4.11. Debt Collection “Best Practices” will be pursued at all time during the execution of the policy.
- 4.12. Depending on Credit Rating Council may provide reduced levels of service to manage the debt growth.
- 4.13. Debt Collection and Credit Control Results will be regularly monitored and efficiently reported to the Municipal Manager or any other Official delegated by the Municipal Manager as well as the Municipal Council.
- 4.14. Although customer (customer) care and debt collection are inter-related issues, they should be performed by two separate divisions of the Income Section of the Department Finance.
- 4.15. There must be legal cause between the Municipality and its consumers/debtors and consumer/debtor debt must arise out of a legal framework and must be legally collectable.
- 4.16. Indigent households will be identified and supported as required by legislation. Welfare is to be separated from tariff and debt collection and credit control issues and will be supported by appropriate, affordable and adopted policies and practices.
- 4.17. Indigent support will be introduced within the Council’s financial ability and in accordance with the applicable legislation.
- 4.18. Performance Targets for customer care, debt collection and credit control will be set and pursued at all times and remedies will be implemented for non-performance

5. Indigent Subsidy

- (1) The source of funding of the indigent subsidy is that portion of the equitable share contribution to the Municipality made from the national government’s fiscus and as provided for in the Annual approved Budget of the Municipality. In exceptional circumstances this can be supplemented from other revenues if Council approval to that effect is obtained.

- (2) The subsidy amount is to be crudely calculated by dividing the portion of the equitable share as budgeted by the estimated number of qualifying households per area and tariff type. These figures are the approximate average subsidy per household.
- (3) The Municipal Council shall annually, as part of its budgetary process, determine the municipal services and levels thereof that will be subsidised in respect of indigent customers in accordance with national policy, subject to the principles of sustainability and affordability.
- (4) The Municipal Council shall, in the determination of municipal services that will be subsidised for indigents, follow the Free Basic Services Policy of the Municipality.
- (5) Where electricity is to be subsidised under the Free Basic Services Policy of the Municipality, such households may be required to convert to pre-payment electricity meters when implemented, the cost of which can be met either by:
 - (a) the equitable share fund, if sufficient;
 - (b) a surcharge on the electricity coupon cost; or
 - (c) cash payment by the indigent household.
- (6) If an indigent customer's consumption or use of a municipal service is less than the subsidised service, the unused portion may not be accrued by the indigent customer and will not entitle the customer to cash or a rebate in respect of the unused portion.
- (7) If an indigent customer's consumption or use of a municipal service is in excess of the subsidised service, the indigent customer will be obliged to pay for such excess consumption at the applicable rate.
- (8) Indigent households subsidised under the Free Basic Services Policy whose consumption has exceeded the limits set out in that policy, and who are in arrears on payment for these services, may be restricted in respect of electricity and/or water.
- (9) The Council may cause inspectors to visit indigent households to audit the veracity of the data in the application form and to record any changes in circumstances and make recommendations on the continuation, variation or discontinuation of the subsidy.
- (10) The disqualification process set out in the Indigent policy should be followed if –
 - (a) the application was filled in dishonestly;
 - (b) audits indicate improvements in the financial circumstances of the indigent household above the qualifying income.
- (11) Arrears accumulated in respect of the municipal accounts of customers prior to their first registration as indigent customers, will be suspended and interest shall not accumulate on such arrears for the period that a customer remains registered as an indigent customer.
- (12) Arrears suspended in terms of Section 5(11) shall become due and payable by the customer on de-registration as an indigent customer.

- (13) In special individual cases, a report may be submitted to the Mayoral Committee to decide if Section 5(12) should be implemented or not.

6. Customer Care and Management

6.1. Communication and Feedback

- 6.1.1. The Municipality will communicate and give feedback to communities, ratepayers and residents in accordance with its Policy on Public Participation.
- 6.1.2. The Council will establish:
- (a) A separate, centrally controlled, telephone, with a logged call registers facility, available to receive all unresolved customer complaints and to receive feedback regarding the quality of services provided by the Council.*
 - (b) A system to monitor response times and time taken for corrective action shall be installed. Copies of all logged complaints and feedback received will be submitted to the Municipal Manager at the end of each day for the necessary action and attention.*
 - (c) Appropriate training for officials dealing with the public to enhance communications and effective service delivery; and*
 - (d) A communication mechanism to give the Council feedback on the implementation of this Policy and other issues of concern*

6.2. Service Application and Agreements

- 6.2.1. All consumers of services will be required to sign an application and agreement form for new consumer services governing the supply, and cost of municipal services. Owners may allow a tenant to sign a separate agreement with the Municipality, which the Municipality may accept, provided that the written consent of the owner is provided. On default by a tenant, the owner is the debtor of last resort, except in respect of the Council's own property.
- 6.2.2. Prior to signing these agreements, owners and/or tenants will, on request, be entitled to receive the Credit Control and Debt Collection Policy Document of the Council.
- 6.2.3. On the signing of the agreement, owners and/or tenants will receive a copy thereof.
- 6.2.4. Within a specified period (in the agreement) of change of ownership, meters will be read and the relevant municipal accounts will be rendered.
- 6.2.5. In the agreement, customers/consumers/ratepayers will acknowledge liability for costs of collection, interest and charges, in the event of a delayed payment or payments.
- 6.2.6. Financial and other special incentives for both employers and employees may be considered where employers enter into an agreement with the Council, with the consent of the employee, where the employee is the customer, for the deduction of any outstanding amounts due by the customer to the Council, or any regular monthly amounts as may be agreed, from the salary or wage of the customer.

- 6.2.7. “Good payer” status, for example, may be awarded to such customers with specific benefits attached thereto, such as special queues for faster service. Customers who are employed whether as an employee or Councillor are not permitted to arrange to pay off their debt, unless they sign a stop order that provides for deductions from salary of arrears as well as the current account over the agreed period.

6.3. Customer Screening and Securities

- 6.3.1. All applicants for municipal services must be verified for credit worthiness, including verification of information from banks, credit bureaus, local authorities, trade creditors and employers.
- 6.3.2. Security deposits either in cash or any other security acceptable to the Municipality will be taken and may vary according to the risk. A minimum deposit of the equivalent of 2 (two) months’ average consumption will be taken, or as determined by the Council from time to time.
- 6.3.3. Deposits can be increased by the Municipality at any time at the sole discretion of the Municipality.
- 6.3.4. Deposits can vary according to the credit worthiness or legal category of the applicant subject to paragraph 4(3)(a).
- 6.3.5. The Municipality will not pay interest on *security* deposits held by the Municipality in terms of paragraph 4(3)(b).
- 6.3.6. On the termination of the agreement, the amount of the deposit less any outstanding amount due to the Municipality will be refunded to the customer/consumer/ratepayer.

6.4. Accounts and Billing

- 6.4.1. Customers will receive an understandable and accurate bill from the Municipality on a monthly basis. All accounts will contain at least the following particulars, where possible and applicable:
- 6.4.1.1. The name of the Council/Municipality.
 - 6.4.1.2. The name of the customer/consumer/ratepayer.
 - 6.4.1.3. The account number.
 - 6.4.1.4. The service levies or assessment rates in question.
 - 6.4.1.5. The period allowed for the payment of services and assessment rates.
 - 6.4.1.6. The property or stand number in respect of which the payment is required.
 - 6.4.1.7. The date before which payment must be made (due date).
 - 6.4.1.8. Business hours of the Municipality.
 - 6.4.1.9. The method(s) and place(s) of possible payment
 - 6.4.1.10. Any discount for early or prompt payment.
 - 6.4.1.11. Interest on late payment.
 - 6.4.1.12. Consequences of non-payment.
 - 6.4.1.13. Amount brought forward.
 - 6.4.1.14. Consumption for the current month reflecting units consumed, cost per unit and cost per service.
 - 6.4.1.15. Total amount payable
- 6.4.2. Accounts will be produced in accordance with the meter reading cycle and due dates will be as determined by the Council from time to time.

- 6.4.3. Accounts will be rendered monthly in cycles of approximately 30 (thirty) days at the address last recorded with the Municipality or its authorised agent.
- 6.4.4. It is the customer's responsibility to ensure timeous payment in the event of accounts not received.
- 6.4.5. Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in final settlement of such an account, even when a dispute exists.
- 6.4.6. Where any payment made to the Municipality or its authorised agent by negotiable instrument is later dishonoured by the bank, the Municipality or its authorised agent:
 - 6.4.6.1. May recover the average bank charges incurred relating to dishonoured negotiable instruments against the account of the customer;
 - 6.4.6.2. Shall regard such an event as default on payment.
 - 6.4.6.3. May refuse to accept cheques or may refer to the Credit Bureau.
- 6.4.7. The Municipality or its authorised agent must, if administratively possible, issue a duplicate account to a customer on request

6.5. Metering

- 6.5.1. The Municipality will endeavour, within practical and financial limits, to provide meters to every paying customer for all meterable services.
- 6.5.2. All meters will be read monthly, if at all possible. If the meter is not read monthly, the Council will average the consumption for preceding periods of 3 (three) months.
- 6.5.3. Customers are entitled to request verification of meter readings and accuracy within reason, but may be held liable for the cost thereof.
- 6.5.4. Customers will be informed of meter replacement, in writing.
- 6.5.5. If a service is metered but it cannot be read due to financial and human resource constraints or circumstances out of the control of the Municipality or its authorised agent, the customer is charged for an average consumption.

6.6. Right of Access to Premises

- 6.6.1. The owner and/or occupier of premises will give an authorised representative of the Municipality access at all reasonable hours to the premises in order to read, inspect, install, repair or replace any meter or service connection for reticulation or to disconnect, stop or restrict, or reconnect the provision of any service.
- 6.6.2. The owner accepts the cost of relocating a meter if satisfactory access is not possible.
- 6.6.3. If a person contravenes 4(6)(a), the Municipality or its authorised agent may:
 - i. by written notice require such person to restore access at his/her own expense within a specified period;
 - ii. if it is the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such a person

6.7. Payment Facilities and Methods

- 6.7.1. The Municipality will operate and maintain suitable banking and cash facilities and facilities will be accessible to all consumers and ratepayers.
- 6.7.2. The Municipality will, at its discretion, allocate a payment between service debts - a debtor who has overdue debt may not specify that the payment is for a specific portion of the account.
- 6.7.3. The Municipality may, with the consent of a customer, approach an employer to secure a debt or stop order arrangement on his or her salary.
- 6.7.4. The customer will acknowledge in the customer agreements that the use of customer agents in the transmission of payments to the Municipality is at the risk of the customer - also for the transfer time of the payment in respect of the due date of the municipal account.

6.8. Enquiries, Appeals and Service Complaints

- 6.8.1. If a customer is convinced that his/her account is inaccurate, he/she can lodge a written appeal with the Municipality addressed to the Municipal Manager for the recalculation of the said account.
- 6.8.2. In the interim period the customer must pay an average based on previous consumption where history of the account is available. Where no such history is available, the customer is to pay, without prejudice of rights, an estimate provided by the Municipality before the payment due date until the matter is resolved.
- 6.8.3. The relevant Department will investigate and inform the customer within a reasonable period of time.
- 6.8.4. Failure to make such agreed interim payment or payments would make the customer liable for disconnection of services.
- 6.8.5. A customer has the right to appeal against the finding of the Municipality or its authorised agent in terms of 4(8)(a).
- 6.8.6. An appeal and request in terms of 4(8)(e) must be made and lodged with the Municipality and addressed to the Municipal Manager within 21 (twenty-one) days after the customer became aware of the finding referred to in 4(8)(c) and must:
 - i. Set out the reasons for the appeal;
 - ii. Be accompanied by any security determined for the testing of a measuring device if applicable.

6.9. Businesses who Tender with the Municipality

- 6.9.1. When inviting tenders or quotations for the provision of services or delivery of goods, potential contractors may submit tenders or quotations subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Municipality a certificate stating that all relevant municipal accounts owing by the tenderer or its members, directors, owners or partners have been paid in full or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears.
- 6.9.2. Tender conditions must contain a condition allowing the Municipality to deduct monies owing to the Municipality from contract payments in terms of a reasonable arrangement with the tenderer.

7. Customer Assistance Programmes

7.1. Water Leakages

- 7.1.1. If the leakage is on the side of the meter of the customer, the customer is responsible for the payment of the full account.
- 7.1.2. The customer has the responsibility to control and monitor his/her consumption.

7.2. Investments Principles

- 7.2.1. Properties may qualify for a rate rebate determined annually by the Council.
- 7.2.2. A rate rebate may be granted to social pensioners or the receiver of a state disability grant as determined by the Council from time to time. To qualify for the concession, the following criteria will apply:
 - 7.2.1.1. The application must be made each year and reach the chief financial officer on or before 31 May.
 - 7.2.1.2. The applicant must be the registered owner of the property and should not sublet any portion of the property.
 - 7.2.1.3. The applicant should not own any other property.
 - 7.2.1.4. The property must be readily accessible to Municipal Officials for the purpose of carrying out of inspections and reading of meters.

7.3. Arrangements for Settlements

- 7.3.1. If a customer cannot pay his or her account with the Municipality, then the Municipality may enter into an extended term of payment with the customer. The customer must:
 - 7.3.1.1. sign an acknowledgement of debt;
 - 7.3.1.2. sign consent to judgement;
 - 7.3.1.3. provide a garnishee order / emolument order / stop order (if he/she is employed);
 - 7.3.1.4. acknowledge that interest will be charged at the prescribed rate, being the prime lending rate of the Municipality's banker plus 1% as amended by the South African Reserve Bank from time to time;
 - 7.3.1.5. pay the current portion of the account in cash; and
 - 7.3.1.6. sign an acknowledgement that if the arrangements being negotiated are later defaulted on, no further arrangements will be possible and that disconnection of services and blockage of pre-payment meters will immediately follow, as will legal proceedings
- 7.3.2. Customers with electricity arrears may be requested to agree to the conversion to a pre-payment meter after all arrears and the cost of the pre-payment meter has been paid in full and a written agreement to this effect has been entered into.
- 7.3.3. The Council reserves the right to raise the deposit / security requirement in accordance with Paragraph 4(3) of debtors who seek arrangements

8. Indigent Subsidy

- 8.1. Qualifying households. A household with no income and/or a total income equal to the social state pension grant qualifies as an indigent household and for a Council subsidy. The applicant must occupy the premises, receive a municipal account, may not own any other property, either inside or outside the Municipality's area of jurisdiction and must comply with any other terms or conditions determined and adopted by the Council from time to time.
- 8.2. Funding of subsidy. The source of funding of the indigent subsidy is that portion of the equitable share contribution to the Municipality made from the national government's fiscus and as provided for in the Annual approved Budget of the Municipality. In exceptional circumstances this can be supplemented from other revenues if Council approval to that effect is obtained.
- 8.3. The subsidy amount is to be crudely calculated by dividing the portion of the equitable share as budgeted by the estimated number of qualifying households per area and tariff type. These figures are the approximate average subsidy per household.
- 8.4. Subsidised services are to be sewerage, water and refuse removal.
- 8.5. Electricity will be subsidised and households for indigent support may be required to convert to pre-payment electricity meters when implemented, the cost of which can be met either by:
 - (a) The equitable share fund, if sufficient;
 - (b) A surcharge on the electricity coupon cost; or
 - (c) Cash payment by the household
- 8.6. Indigent households which exceed free basic services and are in arrears may be restricted in respect of electricity and/or water.
- 8.7. Households become eligible by application on a specific application form of the Council, after which screening and ongoing auditing are possible. This form will require data on the inhabitants of the household, their occupations, income and property ownership and business ownership.
- 8.8. A qualifying household must be in possession of a letter of approval from the Municipality.
- 8.9. The Council may cause inspectors to visit indigent households to audit the veracity of the data in the application form and to record any changes in circumstances and make recommendations on the continuation or discontinuation of the subsidy.
- 8.10. Indigent households may apply or reapply for indigent support at any time during the financial year on the prescribed application form of the Council.
- 8.11. Households will be excluded from the scheme if:
 - (a) The application was filled in dishonestly;
 - (b) Audits indicate improvements in the financial circumstances of the household beyond the qualifying income.
- 8.12. If a customer's consumption or use of a municipal service is less than the subsidised service, the unused portion may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion.
- 8.13. If a customer's consumption or use of a municipal service is in excess of the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rate.
- 8.14. An indigent customer must immediately requests de-registration by the Municipality or its authorised agent if his/her circumstances have changed to the extent that he/she no longer meets the qualification set out in 5(1).
- 8.15. An indigent customer may at any time request de-registration.
- 8.16. Subsidies that have been received unrightfully will be reversed and recovered from the customer by the Municipality.

9. Debtors Collection

9.1. Enforcement Mechanisms

9.1.1. Interruption of Service

- 9.1.1.1. Customers who are in arrears with their municipal account and who have made no arrangements with the Municipality will have their supply of electricity and water and other municipal services suspended or disconnected and/or restricted.
- 9.1.1.2. The disconnection of services can be implemented when the municipal account is 1 (one) day overdue.
- 9.1.1.3. The right to deny or restrict the sale of electricity or water to customers, who are in arrears with their rates or other municipal charges, is reserved.
- 9.1.1.4. Upon the liquidation or arrears, or the conclusion of arrangements for term payment, services will be reconnected as soon as conveniently possible.
- 9.1.1.5. The cost of the restriction or disconnection and the reconnection will be determined by tariff agreed by the Council and will be payable by the customer.

9.1.2. Interest and Charges

Interest and penalties will be raised as a charge on all accounts not paid by the due date in accordance with applicable legislation.

9.1.3. Personal / Telephonic / Agent Contact

- 9.1.3.1. The Municipal Manager will endeavour, within the constraints of affordability, to correspond personally, by telephone or by letter contact with all arrear debtors to encourage their payment and to inform them of their arrears state and their rights (if any) to conclude arrangements or to apply for indigent subsidies and other related matters, and will provide information on how and where to access such arrangements or subsidies.
- 9.1.3.2. The Municipality shall maintain a schedule of debtors with large amounts outstanding (the cut-off amount will be agreed by the Municipal Manager) and will maintain intensive contact with these debtors as in 6(1)(c)(i).
- 9.1.3.3. Such contact is not a right for debtors that debtors enjoy - disconnection of services and other collection proceedings will continue in the absence of such contact for whatever reason.

9.1.4. Legal Process / Use of Attorneys / Use of Credit Bureaus

- 9.1.4.1. The Municipal Manager will, when a debtor is 30 (thirty) days in arrears, commence legal process against that debtor, which process could involve summonses, court trials, judgements, emolument attachment orders and, as a measure of last resort, sales in execution of property. Indigent households are exempted from this action for as long as:
 - the household is classified as an indigent case;

- The repayment agreement with the Council is adhered to.
- 9.1.4.2. The Municipal Manager will exercise strict control over this process to ensure consistent accuracy and legality within it and will require regular reports on progress from staff charged with the responsibility or outside parties, be they attorneys of any other collection agents appointed by the Council.
- 9.1.4.3. The Municipal Manager will establish procedures and codes of conduct with these outside parties.
- 9.1.4.4. Emolument attachment orders in the case of employed customers are preferred to sales in execution, but both are part of the Municipality's system of debt collection procedures.
- 9.1.4.5. All steps in the credit control procedure will be recorded for municipal records and for the information of the debtor.
- 9.1.4.6. All costs of this process are for the account of the debtor.
- 9.1.4.7. Individual debtor accounts are protected and are not the subject of public information. However, the Municipality may release debtor information to credit bureaus. This release will be in writing and this situation will be included in the Municipality's agreement with its customers.
- 9.1.4.8. The Municipal Manager may consider the cost effectiveness of this process and will receive reports on all relevant matters and report to the Mayoral Committee.
- 9.1.4.9. On a recommendation by the Municipal Manager, the Council may consider the use of agents and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement the Council might conclude with such agents or product vendors.
- 9.1.4.10. Customers will be informed of the powers and duties of such agents and their responsibilities, including their responsibility to observe agreed codes of conduct.
- 9.1.4.11. Any agreement concluded with an agent or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will see the contract terminated. The Municipal Manager will determine appropriate measures to be installed within the broad parameters described in Paragraph 6 and consult with the Mayoral Committee on these measures

9.2. **Cost of Collection**

All costs of legal processes, charges, service discontinuation costs as associated with credit control and debt collection, are for the account of the customer and should reflect at least the cost of the particular action

9.3. **Abandonment**

- 9.3.1. The Municipal Manager must ensure that all avenues are utilised to collect the Municipality's outstanding debts.
- 9.3.2. There are some circumstances that allow for the valid termination of debt collection procedures:
 - 9.3.2.1. The insolvency of the debtor whose estate has insufficient funds:
 - 9.3.2.2. A balance owing too small to recover for economic reasons considering the cost of recovery.

- 9.3.3. The Municipality will maintain audit trails in such an instance and document the reasons for the abandonment of the outstanding debt.

9.4. Rates Clearance

On the sale of any property in the municipal jurisdiction, the Council will withhold the transfer until all rates, services and sundry charges related to the property are paid by withholding a rates clearance certificate, except where otherwise provided in legislation

10. Performance Evaluation

10.1. Income Collection Targets

Council shall create targets that include:

- Reduction in present monthly increase in debtors in line with performance agreements determined by the Council

10.2. Customer Service Targets

Council create targets that will include:

- a. Response time to customer queries.
 - b. Date of first account delivery to new customers.
 - c. Reconnection time lapse.
 - d. Meter reading cycle.
- Reduction in customer complaints

10.3. Administrative Performance.

Council create targets that will include:

- a. Cost efficiency of debt collection.
- b. Query rates.
- c. Enforcement mechanism ratios.

- 10.4. The Council will create a mechanism wherein these targets are assessed; the Council performance is evaluated and remedial steps taken.

11. Reporting to Council

- 11.1. The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Mayoral Committee. This report shall report on:

- a. Cash flow information for the capital and operating accounts and combined situation, showing the Council's actual performance against its cash flow budgets.
- b. Cash collection statistics, showing high-level debt recovery information (numbers of customers; enquiries; default arrangements; growth or reduction of arrear debtors ideally

divided into wards, business [commerce and industry], and domestic, state, institutional and other divisions).

- c. Performance of all areas against targets agreed to in Paragraph 6 of this Policy.
- d. The Council's ongoing income and expenditure statements, comparing both billed income and cash receipt income, against ongoing expenditure in both the capital and operating accounts.

11.2. The Mayoral Committee shall quarterly report to the Council as contemplated in Section 99(c) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).

11.3. If in the opinion of the Chief Financial Officer the Council will not achieve cash receipt income equivalent to the income projected in the annual budget as approved by the Council, the Chief Financial Officer will report this with motivation to the Municipal Manager, who will, if he/she agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels.

12. Structures of Department of Finance

The Council shall regularly receive a report from the Chief Financial Officer, if necessary after consultation with suitable consultants, on the manpower and systems requirements of Finance, which requirements take into account the Council's agreed targets of customer care and management, and debt collection, and, after considering this report, the Council will, within reason, vote such resources as are necessary to ensure that Finance has the staffing and structures to meet the Council's targets in this regard or to outsource the service.

13. Short Title

This policy is called the Credit Control and Debt Collection Policy of Albert Luthuli Municipality.

14. Procedures

Within 30 days after the approval of this policy, the Municipal Manager shall approve procedures related to this policy.

15. Legal Requirements

It is essential for the protection of the municipality's interests that the provisions of particularly the Municipal Systems Act 2000 and the Property Rates Act 2004, in so far as they provide additional debt collection mechanisms for municipalities, be diligently enforced. At the same time, both the council and the administration of the Municipality must note the obligations which the municipality has towards the community in respect of customer care and relations.

For ease of reference a paraphrase of the relevant extracts from the Municipal Systems Act, specifically Sections 95 to 103 and Section 118 are therefore appended to this policy, as are Sections 28 and 29 of the Property Rates Act. The immediately relevant extracts from the Water Services Act 1997 and the Municipal Finance Management Act are also included in the annexure.

16. Section I: Water Services Act No. 108 Of 1997

Section 21: By-Laws

The Act requires a municipality, in its capacity as water services authority, to make by-laws which contain conditions for the provision of water services and which provide for the following (inter-alia):

- the standard of the services;
- the technical conditions of supply, including quality standards, units or standards of measurement, the verification of meters, acceptable limits of error and procedures for the arbitration of disputes relating to the measurement of water services provided;
- the determination and structure of tariffs;
- the payment and collection of moneys due for the water services consumed;
- the circumstances under which water services may be limited or discontinued and the procedure for such limitation or discontinuation; and
- the prevention of unlawful connexions to water services works and the unlawful or wasteful use of water.

17. Section II: Local Government: Municipal System Act No. 32 of 2000

Section 95: Customer Care and Management

A municipality must, in relation to the levying of rates and other taxes, and the charging of fees for municipal services, within its financial and administrative capacity, do the following:

- establish a sound customer management system which aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality itself or (where applicable) a service provider;
- establish mechanisms for users of services and ratepayers to give feedback to the municipality or other service provider with regard to the quality of the services and the performance of the service provider;
- take reasonable steps to ensure that users of services are informed of the costs involved in service provision, the reasons for the payment of service fees, and the manner in which moneys raised from the service are utilised;
- where the consumption of services is measured, take reasonable steps to ensure that the consumption by individual consumers of services is measured through accurate and verifiable metering services;
- ensure that persons liable for payments receive regular and accurate accounts which indicate the basis for calculating the amounts due;
- provide accessible mechanisms for those persons to query or verify accounts and metered consumption, as well as appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;
- provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality;
- provide mechanisms to monitor the response time and efficiency in complying with the aforementioned requirements; and
- provide accessible pay points and other mechanisms for settling accounts or for making prepayments for services.

Section III: Local Government: Municipal Finance Management Act No. 56 of 2003

Section 64: Revenue Management

The accounting officer of the municipality is responsible for the management of the municipality's revenues, and must, for this purpose, take all reasonable steps to ensure:

- that the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act 2000 and the municipality's credit control and debt collection policies;
- that revenues due to the municipality are calculated on a monthly basis;
- that accounts for municipal taxes and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;
- that all moneys received are promptly deposited in accordance with the requirements of the present Act, into the municipality's primary and other bank accounts;
- that the municipality has and maintains a management, accounting and information system which recognises revenues when they are due, accounts for debtors, and accounts for receipts of revenues;
- that the municipality has and maintains a system of internal control in respect of debtors and revenues, as may be prescribed;
- that the municipality charges interest on arrears, accept where the council has granted exemptions in accordance with its budget related policies and within a prescribed framework; and
- that all revenues received by the municipality, including revenues received by any collecting agent on its behalf, is reconciled at least on a weekly basis.

The accounting officer must immediately inform the national treasury of any payments due by an organ of state to the municipality in respect of municipal taxes or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.

Note: Section 164: Forbidden Activities

Section 164(1)(c) lists as a forbidden activity the making by a municipality of loans to councillors or officials of a municipality, directors or officials of any municipal entity, and members of the public. It has been assumed for purposes of compiling the credit control and debt collection policy that allowing any party to pay off arrears of rates and municipal service charges is not tantamount to the making of a loan in terms of Section 164.)

Section IV: Local Government: Municipal Property Rates Act NO. 6 of 2004

Section 28: Recovery of Rates in Arrears from Tenants and Occupiers

If the rates owed by a property owner are unpaid by due date, the municipality may recover such rates, either in whole or in part, from any tenant or occupier of the property concerned.

However, the tenant or occupier of the property must first be given written notice of the municipality's intentions, and the amount which the municipality may recover is limited to the amount of rent and other moneys due and unpaid by the tenant or occupier to the property owner concerned.

Section 29: Recovery of Rates from Agents

If it is more convenient for the municipality to do so, it may recover the rates due on a property, either in whole or in part, from the agent of the property owner concerned.

However, the agent must first be given written notice of the municipality's intention, and the amount the municipality may recover is limited to the amount of any rent and other moneys received by the agent on behalf of such property owner, less any commission due to the agent.

The following examples of Administrative Forms are also attached for discussion and consideration for amendment of the current forms and eventual inclusion in the revised policy:

ADMINISTRATION FORMS:

Application for New Service
Application for Termination of Service
Acknowledgement of Debt
Notice
Final Notice
Cut Off Letter
Disconnection List
Reconnection List
Application for Indigent Subsidy

ALBERT LUTHULI LOCAL MUNICIPALITY
APPLICATION AND AGREEMENT FOR NEW CONSUMER SERVICES

Account No. Residential:

Property/Stand No. Business:

Owner/Tenant: Other:

Surname/Business Name:

Initials:

Street No.: Flat No.:

Street Name:

P O Box/Private Bag:

Postal Code:

Telephone Work: Telephone Home:

Cellular Number:

Identity No.:

Language Preference:

Date of Take-on:

I/We agree to the conditions of supply, as set out in the by-laws governing the water supply and/or electricity, credit control, indigent, debt collecting policies and any amendment that may from time to time be made hereto to the stand number shown above, as well as the conditions set out overleaf.

Signature:

Date:

Owner/Agent.....

INSTRUCTION METER READER

Name: Old Account No.:

Service Date:

Address:

Debtor No. Stand No.:

Meter Reader Book Route:

Meter No.: Reading:

ALBERT LUTHULI LOCAL MUNICIPALITY
APPLICATION FOR TERMINATION OF SERVICE

Property No.:

Account No.:

Surname/Business Name:

Full Names:

Telephone Work: Telephone Home:

Address where Service is to be terminated:

.....

Reason for termination.....

Date on which Service is to be terminated:

Please refund the Security Deposit, less any money due to the Albert Luthuli Local Municipality to me at the following address:

.....

.....

I/We here by apply to the Council for the termination of the above Services.

Signature:

Date:

Owner

FOR OFFICIAL USE ONLY

Date of Final Reading:..... First Name: Meter Reader

Final Meter Reading: Surname:

First Name:

Surname:

Date:

ALBERT LUTHULI LOCAL MUNICIPALITY

ACKNOWLEDGEMENT OF DEBT

I/We the undersigned Identity No.
an adult male/female, married/unmarried, married in/out of community of property do hereby acknowledge that I am truly and lawfully indebted to the Albert Luthuli Local Municipality in the sum of R..... plus interest at the rate of per annum arising from non-payment of service charges and/or assessment rates.

I/We promise and agree to pay the said amount to the Albert Luthuli Local Municipality as follows:

1. An initial payment of R..... and additional payments of R..... each, the first payment to commence on the 1st day of 20..... and thereafter on the 1st day of each and every month until the outstanding debt is settled in full.
2. I agree to pay the said amounts at the Municipality's Head Office every month on or before the due date until the outstanding amount is fully settled.
3. Should any payment not be paid on the due date, the full amount outstanding shall become due and payable immediately.
4. Should I fail as aforementioned for whatever reason then the Albert Luthuli Local Municipality is hereby authorised to levy execution against my assets without first a Court Order to do so in terms of the rules of the Supreme Court applicable to the execution of a judgement date.

In the event of my committing a breach of any provision of this Acknowledgement of Debt, at the option the creditor the said Capital Sum and any other sum whatsoever arising by me to the creditor in terms of this Acknowledgement of Debt shall be considered as legally claimable due, without notice and it is expressly understood that the waiver of the provisions of any terms of this Acknowledgement of Debt by the Creditor at any time previously, shall not under any circumstance prejudice the Creditor's right without any previous legal demand to avail himself to the provisions of this paragraph.

All benefits from legal exceptions non numerate pecuniae, non causa debiti with the end effect of which I declare myself to be fully acquainted with, are hereby renounced.

I choose domicilium citandi et executandi at I choose domicilium citandi et executandi at

.....
.....

I agree and consent that the terms of this
Acknowledgement of Debt be made an
Order of the Albert Luthuli Local Municipality

.....
Debtor

.....
Albert Luthuli Local Municipality

Signed at this day of 20

NOTICE (REVERSE SIDE OF DEBT ACKNOWLEDGEMENT)

1. By my signature hereto, I undertake to pay all the attorney and client cost and collection commission in the event of the Albert Luthuli Local Municipality instituting action for recovery of monies due for services rendered in terms hereof.
2. Security deposits are not transferable.
3. Refunds of deposits will be made by electronic funds transfer only and within 30 (thirty) days of termination of the agreement.
4. If consumer fails to pay his account before or on the due date, a notice to such effect may be rendered. The costs involved will be charged to the consumer's account.
5. Interest at the prime lending rate of the Municipality's banker plus 1 (one) % will be charged on overdue accounts.
6. If a consumer fails to adhere to the said notice (refer to 4 above) the electricity supply may be terminated. The costs involved will be charged to the consumer's account.
7. In terms of the standard water and electricity by-laws of the Municipality, a deposit should be at least double the cost of the average monthly consumption, based on the consumption which the applicant is in the Chief Financial Officer's opinion likely to use during any twelve consecutive months.
8. Change of address must be notified within 14 days.

ALBERT LUTHULI LOCAL MUNICIPALITY
FINAL NOTICE

Account No.: All payments are included up to the

You are hereby notified in terms of the Council's Credit Control and Debt Collection Policy and By-Laws that your municipal account is in arrears as at the due date and that:

1. Your Electricity Supply will be disconnected without further notice.
2. Legal proceedings will be instituted for the recovery of money owing to the Council unless the specified amount is paid before the final date below or an arrangement is made and an agreement entered into.

Due for Water & Electricity	+	Refuse	+	Sanitation	+	Assessment Rates	+	Other Charges	+	Total Amount Due
R		R		R		R		R		R

REMITTANCE ADVICE

Erf NoAccount Number

Amount Due Water & Elec.....

Refuse:

Sanitation:

Assessment Rates:

Other Charges:

Total Amount Due: Final Due Date:

ALBERT LUTHULI LOCAL MUNICIPALITY

CUT-OFF LETTER / NOTICE

Account No.:

You are hereby notified that your Electricity supply has been disconnected due to the non-payment of your municipal account.

On payment of the total amount indicated the electricity supply will be reconnected.

Amount Due for Services	+	Deposit	+	Reconnection Fee	+	Other	=
-------------------------	---	---------	---	------------------	---	-------	---

REMITTANCE ADVICE

Erf Number:

Account Number:

Disconnection Date:

Amount Due for Services:

Deposit:

Reconnection Fee:

Other:

Total Amount Due:

ALBERT LUTHULI LOCAL MUNICIPALITY

DISCONNECTION LIST

FOR THE MONTH OF:

Name	Services Outstanding	Deposit Outstanding	Reconnection Fee	Outstanding Amounts at Cut Off	Paid After Cut Off	Receipt No.	Initials for Disconnections	Meter No.

ALBERT LUTHULI LOCAL MUNICIPALITY

RECONNECTION LIST

FOR THE MONTH OF

Erf No.	Name	Receipt No.	Signature Completion Reconnection	upon of

ALBERT LUTHULI LOCAL MUNICIPALITY

INDIGENT CONSUMER SUBSIDY CHECK LIST

The following detail has been checked by me and found to be in accordance with the conditions of the Albert Luthuli Local Municipality indigent subsidy scheme.

Identification: (mark applicable space x)

- (a) SA Identity document
- (b) Application for new SA Identity document
- (c) SA Passport
- (d) Other (specify detail)

.....

.....

Gross Household Income:

- (a) Salary advice Amount: R
- (b) Letter from employer Amount: R
- (c) Pension Amount: R
- (d) Disability allowance Amount: R
- (e) Maintenance Amount: R
- (f) Other (specify detail) Amount: R

.....

.....

Additional Information:

- (a) Total number of unemployed occupants
- (b) Number of occupants

General remarks:

.....

.....

The abovementioned is to my knowledge a true reflection of the relevant circumstances.

NAME: (PRINT)

DESIGNATION: (PRINT)

DATE:

SIGNATURE:

APPLICATION FOR HOUSEHOLD INDIGENCY SUBSIDY

WARD NO.: STAND NO.:

1. In an effort to assist the needy population of the Albert Luthuli Local Municipality in the payment of municipal services as detailed on the pamphlet enclosed, the Albert Luthuli Local Municipality has agreed to a subsidy whereby households earning less than R..... per month would have certain services fully or partially subsidised.
2. Please read the back of this form to see if you qualify and what documents/forms you are required to produce and submit with this application. If you feel that you do qualify you must complete the details of all occupants over the age of 18 years old as at the date of this application together with their respective gross monthly income in the space below.

PERSONAL PARTICULARS OF ALL OCCUPANTS OVER 18 YEARS LIVING AT THE HOUSEHOLD

Identity Number	Initials	Surname	Employed Yes / No	Employer Name	Gross Monthly Income	Source of Income
1.						
2.						
3.						
4.						
5.						

Note: The account holder should be the person identified as no. 1 above.

Number of own children under the age of 18 years living in the household:

DECLARATION BY APPLICANT

I, the undersigned, who resides at the address indicated above, hereby apply for the Household Indigence. Subsidy determined in relation to the income indicated above, and solemnly declare that –

- a) All particulars furnished in this form, including the total gross income of myself and all occupants of the premises, are to the best of my knowledge and believe, true and correct.
- b) If the particulars furnished in this form should change for any reason, I will immediately notify the Municipality.
- c) I or any other occupant do not own any other property in the Republic of South Africa apart from the property indicated on the account for which this application is made.
- d) I agree that Municipal officials and/or the social worker may conduct an onsite audit or visit to verify the information supplied on this declaration.
- e) I am aware that any false declaration on this application form, is punishable by law and will result in disqualification of the subsidy and possible criminal prosecution.
- f) I agree that the supply of water to my premises may be restricted by a flow control washer or any other method the Council may deem fit if the balance of my services account is not paid in full.
- g) I am aware that I must be a South African citizen and also be a registered voter on the Albert Luthuli Local Municipality voters roll to qualify for this subsidy

I also agree to the following procedures/principles:

- aa) That my electricity supply will be downgraded to a 10 Amp connection
- bb) That my water supply will be restricted to 6 Kl per month
- cc) That all money due to council in excess of the subsidy provided will be paid by me on a monthly basis
- dd) That the subsidy will be collected by myself upon presentation of positive identification at the municipal offices on a monthly basis
- ee) That the council may supply me with pre-paid metering devices that it may deem necessary for the provision of services to me

.....
Date

.....
Signature/Thumb Print of Applicant

Council Attesting Official

The consequences of the above declaration made by the applicant was explained to him/her and he/she indicated that –

- (a) the contents of the declaration was understood; and
- (b) that if found to be untrue, he/she would automatically be disqualified from receiving any subsidy. He/she will be liable for the immediate repayment of any subsidy received and may have criminal proceedings instituted against him/her as the Council may deem fit.

.....
(Print full name)

.....
Date

.....
Signature
Ex Officio Commissioner of Oath Rep of South
Africa

ALBERT LUTHULI LOCAL MUNICIPALITY

INDIGENT APPLICATION

HEAD OF HOUSEHOLD

SURNAME:

FIRST NAME:

IDENTITY NUMBER:

ACCOUNT NUMBER:

ADDRESS/ATAND NUMBER:

.....

.....

DO YOU OWN FIXED PROPERTY? YES NO

MUNICIPAL VALUATION

FAMILY COMPOSITION

SPOUSE FIRST NAME:

MAIDEN NAME:

IDENTITY NUMBER:

CHILDREN OR LODGERS NAMES	DATE OF BIRTH DD MM YYYY	INCOME

EMPLOYED: SELF-EMPLOYED:..... UNEMPLOYED:.....

OCCUPATION:

NAME OF EMPLOYER:

INCOME:

GROSS SALARY: R..... P/MWAGES: R..... P/M

WIFE'S EMPLOYER:

TELEPHONE NUMBER: MONTHLY INCOME: R.....

PENSION INCOME: P/M OTHERP/M

GENERAL

HOUSEHOLD DETAILS:

1.1 Main house details	5 ROOM PLUS	
	4 ROOM	
	3 ROOM	
	2 ROOM	
	1 ROOM	
	TEMPORARY STRUCTURE	

1.2 Do you rent part of your household	YES	NO
--	-----	----

1.3 Are you the	Owner	
	Tenant	
	Tenant with council	

ELECTRICITY SUPPLY

2.1	Do you have electricity	<table><tr><td>YES</td><td>NO</td></tr></table>	YES	NO
YES	NO			
2.2	Average monthly electricity account	<table><tr><td>R</td></tr></table>	R	
R				
2.3	Do you pay regularly for electricity	<table><tr><td>YES</td><td>NO</td></tr></table>	YES	NO
YES	NO			
2.4	If NO to the above why not			
	Do not want to	<table><tr><td></td></tr></table>		
	Not happy with account	<table><tr><td></td></tr></table>		
	No money	<table><tr><td></td></tr></table>		
2.5	Do you use electricity for			
	Cleaning	<table><tr><td></td></tr></table>		
	Cooking	<table><tr><td></td></tr></table>		
	TV / Radio	<table><tr><td></td></tr></table>		
	Lights	<table><tr><td></td></tr></table>		
	Heating Water	<table><tr><td></td></tr></table>		
	Heating house	<table><tr><td></td></tr></table>		
	Washing machine	<table><tr><td></td></tr></table>		

WATER REFUSE AND SEWERAGE

3.1	Do you have a water meter	<table><tr><td>YES</td><td>NO</td></tr></table>	YES	NO
YES	NO			
3.2	Do you have refuse collection	<table><tr><td>YES</td><td>NO</td></tr></table>	YES	NO
YES	NO			
3.3	Do you have waterborne sewerage	<table><tr><td>YES</td><td>NO</td></tr></table>	YES	NO
YES	NO			
3.4	Average monthly payment			
	Water	<table><tr><td>R</td></tr></table>	R	
R				
	Refuse	<table><tr><td>R</td></tr></table>	R	
R				
	Sewerage	<table><tr><td>R</td></tr></table>	R	
R				
3.5	Do you pay regularly for the above services			
3.6	If NO to the above why not			
	Do not want to	<table><tr><td></td></tr></table>		
	Not happy with account	<table><tr><td></td></tr></table>		

No money

GENERAL FINANCIAL ASPECTS

4 How do you manage regarding the following

4.1 Clothing

4.2 Food

4.3 Shelter

4.4 Medical Expenses

SOCIAL / EMPLOYMENT ASPECTS

5 Employment

5.1 Have you held a job for more than 6 months

YES	NO
-----	----

5.2 Have you ever worked before

YES	NO
-----	----

5.3 What type of work have you done before

5.4 Are you skilled in any way

YES	NO
-----	----

5.5 If Yes, what kind of skill

5.6 If No, what skill would you like

6 Social Aspects

6.1 Do you experience the following

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Depression					
Boredom					
Frustration					

6.2 Do you have any physical or mental defect

YES	NO
-----	----

6.3 If yes what is the nature thereof

GENERAL COMMENTS

KINDLY ATTACH THE FOLLOWING DOCUMENTS:

1. PROOF OF INCOME/AFFIDAVIT
2. AFFIDAVIT THAT INFORMATION SUPPLIED IS CORRECT
3. COPY OF IDENTITY DOCUMENT FOR SPOUSE AND YOURSELF

NOTE:

IT IS YOUR DUTY TO INFORM THE ALBERT LUTHULI LOCAL MUNICIPALITY SHOULD YOUR CIRCUMSTANCES CHANGE.

YOU WILL BE DISQUALIFIED FOR THE SUBSIDY SHOULD YOU PAY AFTER THE DUE DATE.

I DECLARE THAT I HAVE READ THIS FORM AND THAT ALL THE PARTICULARS ARE TRUE AND CORRECT.

I AGREE THAT MY NAME BE SUBMITTED TO THE INFORMATION TRUST CORPORATION (CREDIT BUREAU).

.....
APPLICANT SIGNATURE

.....
DATE

.....
RECOMMENDED BY

.....
DATE

.....
APPROVED BY

.....
DATE

NOTE:

ANY PERSON WHO SUPPLIES FALSE INFORMATION WILL BE DISQUALIFIED FROM FURTHER PARTICIPATION IN THE SUBSIDY SCHEME AND WILL BE LIABLE FOR THE IMMEDIATE RE-PAYMENT OF ALL SUBSIDIES.

Cash Management and Investment Policy

Date approved : 10 May 2011

Operation date: 1 July 2011

1. Introduction

- 1.1. As trustees of public funds, Councillors and officials have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible. The Council of the Municipality has the responsibility to invest public funds carefully and has to the community in this regard. A comprehensive set of cash management and investment policies is needed to accomplish this commitment. Proper policies and procedures will also improve internal operations that may reduce the Municipality's cash management risks.

2. Objectives

- 2.1. The objectives of these policies are.
 - 2.1.1. To ensure the effective, efficient and economical use of cash resources;
 - 2.1.2. To emphasize a culture of accountability over the Municipality's cash;
 - 2.1.3. To speed up inflow and slow down outflow of cash and keep cash secure at all times;
 - 2.1.4. To gain the highest possible return, without unnecessary risk, during periods when excess funds are not being used; and
 - 2.1.5. To safeguard the Municipalities cost resources against theft or any fraudulent activities

3. Scope of Application

- 3.1. These policies are established to guide officials on cash flow management. It should be applied in the treatment of all cash and cash equivalents that belong to the Albert Luthuli Municipality.

4. Accountability

- 4.1. As Trustees of public funds, Councillors and officials have an obligation to ensure that cash resources are managed in the most efficient and cost effective manner possible.
- 4.2. Officials serving on the Investment Committee have a responsibility and are accountable to the community to exercise due care when investing public funds

5. Legislative Framework

- 5.1. In terms of Section 13 of the Municipal Finance Management Act (Act 56 of 2003) a Municipality may, subject to such framework as the Minister may determine by notice in the Gazette, from time to time, invest in the follow instruments or investments.
 - 5.1.1. Deposits in Registered banks.
 - 5.1.2. Security issued by national government.
 - 5.1.3. Public investment commissioners.
 - 5.1.4. Corporations for public deposits.
 - 5.1.5. A municipality's own stock or similar type of debt.

- 5.1.6. Internal Funds of a municipality which have been established in terms of a law to pool money available to the municipality and to employ such money for the granting of loans or advances to departments within a Municipality to finance capital expenditure.
- 5.1.7. Banker's acceptance certificates or negotiable certificates of deposit banks.
- 5.1.8. Long-term securities offered by insurance companies to meet redemption fund requirements.
- 5.1.9. Other investments as the Minister may determine by notice in the Gazette.
- 5.1.10. Any other instruments of investments in which a municipality was under a law permitted to invest before the commencement of the Local Government Transition Act Second Amendment Act, 1996, provided that such instruments shall not extend beyond the date of maturity or redemption thereof

- 5.2. A municipality must, within 30 days after an investment with a period of 12 months or longer has been made, publish in a local newspaper in circulation its area of jurisdiction full details of any investment so made.

6. Core Focus of Cash Management Programme

Adequate and effective cash management is one of the main functions of the Chief Financial Officer and delegates.

The core focus of the Council's Cash Management Program shall be as follows:

6.1. Budgeting

- 6.1.1. The Municipality shall keep a formal budgeting policy, approved by the Council;
- 6.1.2. Budgets shall be maintained in a manner prescribed by Chapter 4 of the Municipal Finance Management Act; and
- 6.1.3. Cash flow forecasts shall be credible and consistent with the integrated Development Plan and the annual budget.

6.2. Receivables

- 6.2.1. Sound cash management requires that certain policies and procedures be in place so as to minimize the cost of receivables. The cost includes the cost of carrying the receivables and the risk of failure to collect outstanding balances.
- 6.2.2. The Municipality shall keep an effective system to achieve the following:
 - 6.2.1.1. Keep an accurate updated record of receivables that can be monitored daily;
 - 6.2.1.2. Controlling revenue; and
 - 6.2.1.3. Collecting receivable timeously.
- 6.2.3. The Chief Financial Officer or delegate shall review the debt collection performance on a regular basis and ensure that the Municipality adheres to its Performance Management System.

6.3. Cash Collection

6.3.1. The Municipality shall maintain an effective system to ensure the following practices:

- 6.3.1.1. All monies due to Council must be collected as early as possible and banked daily where possible.
- 6.3.1.2. Special deposits should be made for large receipts to ensure that they are banked on the date of receipt thereof.
- 6.3.1.3. It is essential for:
 - all amounts owed to Council to be raised by way of a debit in the appropriate debtor system; and
 - effective banking control systems to be introduced to ensure that moneys received by the Council are deposited timeously.
- 6.3.1.4. In addition to any other statutory analysis requirements, monthly reviews of debt collections must be performed by comparing current debt due to the Council in relation of total income , as compared to the position in previous month in order to ascertain whether the debt collection process is improving or deteriorating;
- 6.3.1.5. Any deterioration in the debt collection ratio must be dealt with in accordance with the Credit Control Policy of the Council and the required remedial action to rectify the position must be taken by the Council.
- 6.3.1.6. Cash are safeguarded and fraud prevented;
- 6.3.1.7. The Municipality has at least one bank account in its name;
- 6.3.1.8. New bank account are only open if required;
- 6.3.1.9. All bank accounts held by the Municipality are accounted for in its accounting system;
- 6.3.1.10. All payments received by the Municipality are paid into its bank account or accounts, and this is done promptly as prescribed by legislation; and
- 6.3.1.11. The accounting records are monitored on a daily basis and can be reconciled to the accounting system at least on a monthly basis.

6.4. **Payment of Creditors**

- 6.4.1. Sound cash management requires that certain policies and procedures will manage the trade credit to ensure that the Municipality can maximize its cash balances at relatively no cost.
- 6.4.2. As creditors have an impact on working capital, the following matters must be borne in mind with regard to the adequate control over and the timing of payment of creditor accounts:
 - 6.4.6.4. Cost factors are to be investigated in so far as it concerns the medium of payment, be it electronically or by cheque;
 - 6.4.6.5. Adequate steps must be taken to avoid excessive bank charges and payments are to be limited to one payment per month per creditor as far as possible.
 - 6.4.6.6. In the case of electronic transfers strict control measurements must be implemented to safeguard Council from any losses that may be incurred as a result of the use of this medium of payment;
 - 6.4.6.7. When considering when to pay a creditor, consideration must be given to the terms of credit offered. When cash discount are offered on early settlement, the discount given and the time scale involved, would in most cases outweigh any investment benefit that could be obtained by the temporary placement of funds in an investment.

- 6.4.6.8. In order to reduce bank charges, salaries and allowances should be paid whenever possible on a single date in a month and preferably electronically.
- 6.4.6.9. Creditors shall be paid in line with budget, cash flow forecasts and limits in terms of the delegation of authority.
- 6.4.6.10. Payment shall only be made for services and goods once delivery has taken place.
- 6.4.6.11. When Creditors are paid, the payment voucher must be clearly endorsed to this effect in order to avoid a duplicate payment.
- 6.4.6.12. Credit terms shall not just be accepted, but negotiated with suppliers on an ongoing basis, provided it is in terms of Section 65(2)(e) and section 99(2)(b) of the Municipal Financial Management Act, 2003; and
- 6.4.6.13. The Chief Financial Officer or delegate shall first approve a new supplier's terms or changes to current suppliers' credit terms

6.5. Inventory Management

- 6.5.1. Sound cash management requires that the Municipality should avoid over-capitalizing, while still ensuring efficient service delivery.
- 6.5.2. Cash Flow can be enhanced through an adequate system of inventory management.
- 6.5.3. The following practices shall apply with regard to inventory management:
 - 6.5.3.1. Stock levels held in a stores system must be constantly reviewed;
 - 6.5.3.2. Only essential levels of stock are to be maintained where supplies are readily available against annual supplies contracts from local suppliers;
 - 6.5.3.3. Cognizance must be taken of the fact that stock held for any length of time is dead capital which has an appropriate cost associated with it;
 - 6.5.3.4. Cognizance must be taken of the fact that stocks held in excess of requirements for long periods of time may become obsolete.
 - 6.5.3.5. Obsolete stock must be disposed of annually to derive additional revenue;
 - 6.5.3.6. Where possible, the Council ownership of stock must be clearly marked on such stock; and
 - 6.5.3.7. Adequate control and documentation must be maintained over stock issues
- 6.5.4. The Chief Financial Officer must on a yearly basis report to the Council on:
 - 6.5.4.1. The turnover of the 20 highest value stock items accompanied by recommendations on how to improve the turnover rate of such stock items;
 - 6.5.4.2. All surpluses and shortfalls in stock levels as well as reasons for such surpluses and shortfalls.

6.6. Cash Flow

- 6.6.1. Council, prior to effecting an investment, must ascertain whether surplus funds exist and the period for which funds may be invested.
- 6.6.2. A cash flow forecast is essential to determine the availability of potential investment funds.
- 6.6.3. In developing cash flow forecasts, Council must be aware of the expected cash inflows and when they are likely to occur, as well as the timing of the outflows in terms of the operating and capital estimates.

- 6.6.4. The Chief Financial Officer shall at least once in every six months report to the Council on the anticipated cash flow of the Council for the ensuing six months and any plans to finance any shortfall.

6.7. Assets Management

- 6.7.1. Assets shall only be acquired in conformity with proper budgeting practice, as mentioned under 'budgeting' in this document.
- 6.7.2. The Chief Financial Officer or delegate shall identify under-utilised assets and consider disposing them, subject to Section 14 of the Municipal Financial Management Act, 2003

6.8. Debt

The Municipality may only incur debt in terms of the Municipal Finance Management Act, 2003, chapter 6 and with the approval of the Council.

Short-term debt

The Municipality shall incur short-term debt only when necessary to bridge:

- Unavoidable shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year, and
- Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitment, provided that; the short-term debt is clearly indicated in the cash flow estimates.

The Municipality shall pay off short-term debt within a financial year and shall not refinance its short-term debt.

Long-term debt

The Municipality shall incur long-term debt only for the purpose of capital investment in property, plant or equipment, as approved in the Integrated Development Plan and annual budget and shall be used for the purpose of achieving the objects of the Municipality.

7. Investments

7.1. Investments Ethics

The following ethical principles shall apply when dealing with financial institutions and other interested parties:

- 7.1.1. The MM and CFO will be responsible for the investment of funds, and they have to steer clear of outside interference, regardless of whether such interference comes from individual Councillors, agents or any other institution;
- 7.1.2. Under no circumstances may inducements to invest be accepted;
- 7.1.3. Speculation with public funds shall not be allowed;
- 7.1.4. Interest rates quoted by one institution must not be disclosed to another institution; and

- 7.1.5. The business ethics of any controlling body of which the relevant financial institution is a member must be observed by such institution or body at all times.

7.2. Investments Principles

The following guiding principles are to be adhered to in order to facilitate the Administration of Council's investment portfolio. A risk management plan will give guidance

7.2.1. Limit Exposure to a single Institution

- 7.2.1.5. Investment of funds, where this involves large amounts, should be distributed over more than one institution in order to limit Council's risk exposure.
- 7.2.1.6. The Municipality shall plan the distribution of its investments to cover different types of investments.

7.2.2. Risk and Return.

- 7.2.1.7. As a general principle, it must be accepted that the greater the return the greater the risk.
- 7.2.1.8. The CFO or delegates are responsible for ensuring that the risk is the proposed investment is rated realistically.

7.2.3. Borrowings for Re-Investment

- 6.4.1.16. The Municipality shall only borrow money for reinvestment in exceptional cases.
- 6.4.1.17. Council should refrain from borrowing for the purpose of re-investment as this is tantamount to speculation with public funds.

7.2.4. Nominee Accounts

All moneys shall be invested directly with the relevant institutions. On no account may moneys be placed in a nominee account.

7.2.5. Registered Financial Institutions

The CFO or delegates shall ensure that a proposed financial institution is approved:

- In terms of the Banks Act;
- By the Reserve Bank;
- In the latest list of approved financial institutions obtained from the Provincial Government; and
- By a Council resolution

7.2.6. Growth-Related Investment

When making investments, the CFO or delegates shall guarantee that at least the capital amount invested is safe, and shall exercise due diligence in this regard.

8. General Investment Practice

8.1. General

Should it be ascertained that surplus funds are available for investment, and then written quotations including faxed quotations should be obtained from financial institutions for various forms of investment terms and rates of interest.

The investment shall be placed with an institution offering the most favourable rate provided such investment is in accordance with the terms and condition of this policy.

Institutions should be advised that, in submitting quotations, they must offer their best rates of interest and that no further negotiation of discussion will be entered into with them after they have submitted their quotation.

8.2. Payment of Commission

The Auditor General requires the financial institution, where the investment is made, to issue a certificate for each investment made. This certificate shall state that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.

The CFO or delegate shall ensure that any financial institution that held an investment for the Municipality at any time during a financial year, shall:

- Within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year; and
- Promptly disclose information regarding the investment when so requested by the National Treasury or the Auditor-General.

8.3. Cash at Bank

Where money is kept in current accounts, the Municipality shall, where possible, bargain for more beneficial rates with regards to deposits, for instances call deposits. Fixed term deposits can increase these rates.

8.4. Credit Worthiness

Prior to investing in smaller registered financial institutions, the Investment Committee must ensure that the Council is not over-exposed and should satisfy itself as to the credit-worthiness and previous track record of the institution before placing funds.

In order to reduce the risk in this regard, investments must only be made with financial Institutions registered in terms of relevant legislation with an office within the council's area of jurisdiction.

9. Establishment of Investment Committee

The Council will establish an Investment Committee which, *inter alia*, will be responsible to advise the Council quarterly on the status of existing investments and provide proposals on new investments which are to be made.

The Committee will comprise the following:

- The Municipal Manager or his/her delegated nominee.
- The Chief Financial Officer or his/her delegated nominee.
- Sectional Head: expenditure.

Any two members of the Committee shall form a quorum and the Committee will have authority to make decisions within the powers granted to the Committee by the Council.

10. Control Over Investments

10.1. An investment register shall be kept of all investments made. The following facts shall be indicated:

10.1.1. Name of institution;

10.1.2. Capital investment;

10.1.3. Date invested;

10.1.4. Interest rate; and

10.1.5. Maturation date

10.2. The Sectional Head: Asset Management and Budget Control must retain all quotations received for record and audit purposes.

10.3. All investment certificates are to be kept in a securities file which shall be safeguarded in a fire proof safe.

10.4. In respect of grant funds, a separate file must be kept of the letter of grant and other pertinent information. Regular reports must be submitted to all grant agencies.

10.5. The Sectional Head: Asset Management and Budget Control must complete and will be responsible for the maintenance of an Investment Register complying with audit requirements.

11. Delegation of Authority

The Council may, in terms of Section of 59 of the Municipal Systems Act 2000, delegate any of its functions and responsibilities in respect of this policy to a

Committee of the Council, the Investment Committee, the Municipal Manager and the Chief Financial Officer of the Council provided that such delegation will not absolve the person to whom such a function or responsibility has been delegated from complying with any statutory reporting requirement of such reporting requirement as may be contained in this policy.

Funding and Reserves Policy

Date approved : 10 May 2011

Operation date: 1 July 2011

1. Introduction

1.1. This policy of the Albert Luthuli Municipality has been developed to comply with –

- 1.1.1. the Municipal Budget and Reporting Regulations, 2008 as published by National Treasury as Notice 393 in the Government Gazette No. 32141 on 17 April 2009;

- 1.1.2. the MFMA Funding Compliance Guideline as published by National Treasury on 10 March 2008; and
- 1.1.3. the MFMA Circular No. 42 as issued by National Treasury on 30 March 2007.
- 1.2. This Funding and Reserves Policy will set out the assumptions and methodology for estimating –
 - 1.2.1. projected billings, collections and all direct revenues;
 - 1.2.2. the provision for revenue that will not be collected;
 - 1.2.3. the funds the municipality can expect to receive from investments;
 - 1.2.4. the dividends the municipality can expect to receive from municipal entities;
 - 1.2.5. the proceeds the municipality can expect to receive from the transfer or disposal of assets;
 - 1.2.6. the municipality's borrowing requirements; and
 - 1.2.7. the funds to be set aside in reserves.
- 1.3. When developing or amending this policy, the municipal manager must ensure that the policy -
 - 1.3.1. is consistent with the most recent actual billings and collection trends;
 - 1.3.2. takes into account the credit rating of the municipality, if available, the financial position of the municipality, the cost of borrowing and the capacity to repay debt;
 - 1.3.3. takes into account all the budget-related policies of the municipality, particularly recent amendments to any of those policies;
 - 1.3.4. takes account of any statutory requirements to set aside funds in reserves; and
 - 1.3.5. takes account of the transfer and disposal of assets.

2. General Principles

- 2.1. The Albert Luthuli Municipality reaffirms its adherence to the MFMA.
- 2.2. The Municipality will ensure that its annual budget will only be funded from –
 - 2.2.1. realistically anticipated revenues to be collected;
 - 2.2.2. cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
 - 2.2.3. borrowed funds, but only for the capital budget referred to in section 17(2) of the MFMA.
- 2.3. The Municipality will ensure that its revenue projections will be realistic taking into account –
 - 2.3.1. projected revenue for the current year based on collection levels to date; and
 - 2.3.2. actual revenue collected in previous financial years.
- 2.4. The Municipality will only spend money on a capital project only if the sources of funding have been considered, are available and have not been committed for other purposes.

3. Measurement and Reporting

- 3.1. The Chief Financial Officer shall undertake the funding compliance review as contemplated in the MFMA Funding Compliance Guideline, and shall attach the duly completed Table A10 of the Guideline to the budget for presentation to the Council.
- 3.2. The budget presented to Council shall include the certification that, *"in the opinion of the Chief Financial Officer, this budget meets the prescriptions of sections 18 and 19 of the MFMA"*.

4. Projected Billings, Collections and all Direct Revenues

- 4.1. The budget presented to Council shall reflect the full amounts that the municipality is anticipated to bill, accrue or otherwise levy and also to include any other revenue directly received (e.g. bus fares and recreation facility admission fees) for the three-year MTEF budget period.
- 4.2. The amounts reflected in section 4.1 above shall not include any provisions for doubtful and bad debts (i.e. amounts billed that are not expected to be collected).
- 4.3. A statement to the effect that *“the number of consumer accounts has been reconciled with property records and metering information”* should be included in the budget presented to Council.

5. Provision for Revenue that will not be collected

- 5.1. The budget presented to Council shall reflect the revenue that the municipality expects to collect, which must include an estimate of the monies to be collected from the current year and a forecast of monies to be collected from the revenues of previous years (e.g. collections from debtors in arrears based on historical performance), for each year of the three-year MTEF budget period.
- 5.2. The monies identified in section 5.1 above shall not include revenue from debtors that are not realistically likely to be collected, regardless of whether an adequate bad debt provision has been included under expenses.
- 5.3. If the budget anticipates an improvement in the collection rate, this must be supported by changes in policies and/or practices, and any such improved collection rate may only be budgeted for in the year after such change is first implemented.
- 5.4. Prior to the adoption of the budget, Council must have reviewed (within the previous six months) its policy for impairment of outstanding debtor accounts, and the Audit Committee must confirm that this policy has been implemented with regard to this budget.

6. Funds the Municipality can expect to receive from Investments

- 6.1. The budget presented to Council shall reflect the full value of the municipality’s investments recorded in terms of section 17(3)(f) of the MFMA, together with any income expected to be derived from such investments.
- 6.2. This data presented in terms of section 6.1 above should include audited actuals for the previous year, estimates for the current year, as well as projections for the three-year MTEF budget period.
- 6.3. Should the projections vary significantly from the actuals or estimates, detailed reasons must be provided to motivate such variances.

7. Dividends the Municipality can expect to receive from municipal entities

Should, at any stage, the Albert Luthuli Municipality enter into a contract with a municipal entity, it shall declare all dividends anticipated to be received from that entity for the three-year MTEF budget period.

8. Proceeds the Municipality can expect to receive from the Transfer or Disposal of Assets

- 8.1. The budget presented to Council shall reflect the full value of any assets that the municipality intends to transfer or sell during the MTEF period of the budget, together with the income that is anticipated from their transfer or sale.
- 8.2. Unless specifically motivated otherwise in the budget, all such proceeds shall be credited to the Capital Development Fund of the municipality.

9. Municipality's Borrowing Requirements

- 9.1. The Albert Luthuli Municipality does not envisage borrowing in the near future. Should circumstances change, the Council must adopt appropriate policies to regulate such borrowings before negotiations with respect to such borrowings are initiated.

10. Funds to be set aside in Reserves

- 10.1. With the exception of the Capital Development Fund, no Reserve may be established unless it required to reduce a defined risk which has been specifically identified under the municipality's Risk Management program.
- 10.2. A minimum of 5% of the municipality's combined capital and operational budgets shall be budgeted for transfer to the Capital Development Fund annually.

Long-term Financial Planning Policy

Date approved : 10 May 2011

Operation date: 1 July 2011

1. General Policy Considerations

- 1.1. A Long-term Financial Plan is required to cover a minimum 15-year timeline in order to contextualise the municipality's medium-term budget.
- 1.2. The first step in the formulation of the Long-term Financial Plan is the preparation of a set of **nation-wide planning indicators** which should include, at least, the following –
 - 1.2.1. changes in the national and global economic climate – to the extent that it impacts upon the municipality;
 - 1.2.2. the role of national and provincial governments within the developmental state paradigm;
 - 1.2.3. current and anticipated levels of inflation, exchange rates and debt (governmental);
 - 1.2.4. changes in the size, nature and conditionality of national grants both for operating and capital expenditure;
 - 1.2.5. developments in financial planning (including the MFMA, GRAP and National Treasury procedural enhancements);
- 1.3. The second step in the formulation of the Long-term Financial Plan is the preparation of a set of **municipal planning indicators** which should include, at least, the following –
 - 1.3.1. demographic trends such as age structure and the nature of the labour force;
 - 1.3.2. economic development within the municipality and interactions with neighbouring municipalities as well as at the national and international levels;
 - 1.3.3. reprioritisation in policy as the municipality develops, both with regard to the nature of services to be provided (e.g. broadband infrastructure) as well as the levels of service delivery expected as ever higher quality becomes the norm;
 - 1.3.4. changes in payment levels that permit a sustainable budget and hence greater access to external resources (e.g. borrowing, etc);
 - 1.3.5. changes to the staff structure as well as skills balance within the municipality; and
 - 1.3.6. any other material trends or projections that can be ascertained.
- 1.4. The third step in the formulation of the Long-term Financial Plan is the compilation of a **planning framework** which should provide the following –
 - 1.4.1. an outline of anticipated municipal policy and priorities as they change over time;
 - 1.4.2. a realistic annual revenue projection based upon such outline;
 - 1.4.3. a realistic annual expenditure projection based upon such outline; and
 - 1.4.4. a proposed strategy to address any imbalances between anticipated revenue and expenditure;

2. Implementation at the Municipality

- 2.1. The process of developing such a Long-term Financial Plan is complex and time-consuming and requires a range of specialist skills.

- 2.2. Given the limited capacity of the Albert Luthuli Local Municipality, the municipality will seek to co-operate with the Gert Sibande District Municipality in the development of both nation-wide and municipal (district) planning indicators (as set out in sections 1.2 and 1.3 above).
- 2.3. The Albert Luthuli Municipality will then develop a planning framework that will meet the needs of its Long-term Financial Plan in line with section 1.4 above.
- 2.4. The Council should adopt this Long-term Financial Plan annually when the mayor tables the IDP process plan as well as the budget timetable before 31 August – i.e. 10 months before the start of the financial year.

Date approved : 10 May 2011

Operation date: 1 July 2011

1. Introduction

- 1.1. The Albert Luthuli Municipality reaffirms its commitment to the national principles that should underpin indigent policy –
 - 1.1.1. Everyone has inherent dignity and the right to have their dignity respected and protected. All process that involves the provision of services to citizens must be done in such a manner as to respect the entrenched rights and dignity of those citizens.
 - 1.1.2. Municipalities must provide basic services to its indigent in a sustainable manner. It is not expected that a municipality will provide Free Basic Services beyond its financial and other capacities.
 - 1.1.3. Indigents must be afforded access to more than just the Free Basic Services package. It is widely acknowledge that the Free Basic Services package on its own will not see indigent communities standards of living improve. It is imperative that linkages be made between the Free Basic Services package and the broader package of social services.
 - 1.1.4. In providing Free Basic Services to indigents, municipalities must provide these services at the recognised and approved minimum basic levels. Municipalities are not dissuaded from providing a higher level of a service if they can afford to do so, and can sustain this higher level.
 - 1.1.5. Free Basic Services are targeted at the indigent. Therefore a municipality can use any approach it chooses to provide Free Basic Services as long as it can ensure and demonstrate that the indigent are benefiting from Free Basic Services.
 - 1.1.6. The municipal indigent policy is not a stand alone policy which is independent from municipalities' IDP's, its debt and credit control procedures, its municipal by laws etc. Municipalities' indigent policies need to be developed to integrate with these strategic management plans and procedures so as to ensure that the municipalities will be able to sustain their Free Basic Services programme.
 - 1.1.7. Municipalities need to start planning realistic exit strategies for their indigent populations to exit from the indigent registers and subsidies. This will entail that the living circumstance of the indigent has improved significantly so that the indigent can afford to pay for their service. What this implies is that municipalities should integrate their Free Basic Services delivery with structured poverty alleviation programmes.
 - 1.1.8. Due to the varying circumstance and conditions within municipalities it is recognised that municipalities should exercise their right to apply the national indigent framework and these guidelines according to their own circumstances.
- 1.2. This Indigent Policy will –
 - 1.2.1. allow the municipality to target the delivery of essential services to citizens who experience a lower quality of life;
 - 1.2.2. identify how the indigent will be accessed;
 - 1.2.3. establish the process that will be used to manage the indigent;
 - 1.2.4. identify the process for tracking and assessing the service received by the indigent, as well as the real benefit that has resulted from the subsidies;
 - 1.2.5. provide policy direction to the municipality's IDP's and financial planning instruments;
 - 1.2.6. establish the process to set targets (milestones) for the rollout of free basic services to the entire indigent population within the municipal area; and

- 1.2.7. *identify the linkages between the various poverty alleviation programmes that will result in the indigent moving away from the poverty trap.*

2. Legislative Framework

- 2.1. This policy has been prepared in line with the Guidelines for the Implementation of the National Indigent Policy by Municipalities issued in 2005.
- 2.2. Legislation that directly impacts upon this policy include –
- 2.2.1. Constitution of the Republic of South Africa
 - 2.2.2. Local Government Municipal Property Rates Act, 2004 (Act No. 6 of 2004)
 - 2.2.3. Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)
 - 2.2.4. Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
 - 2.2.5. Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)
- 2.3. National policies and guidelines that directly impact upon this policy include –
- 2.3.1. Guidelines for the Implementation of the National Indigent Policy
 - 2.3.2. Framework for a Municipal Indigent Policy
 - 2.3.3. Communications Handbook on Free Basic Services
 - 2.3.4. Study to determine progress with and challenges faced by municipalities in the provision of Free Basic Services & supporting those municipalities struggling with implementation

3. Free Basic Services

- 3.1. Only qualifying indigent households that have been registered by the Municipality in terms of this Indigent Policy may receive benefits under the Free Basic Services Policy.
- 3.2. The funding and financial management of this Indigent Policy and the Free Basic Services Policy is covered under the Credit and Debit Control Policy of the municipality

4. Qualification

- 4.1. In order to qualify as an indigent household of Albert Luthuli, a household must meet all of the following requirements in order to be registered –
- 4.1.1. have a total income less than R1800 or equal to the social state pension grant;
 - 4.1.2. must occupy a dwelling that receives Municipal services;
 - 4.1.3. neither the applicant or any other member of the household may not own fixed property other than the one in which they reside and for which application has been lodged, whether inside or outside the Municipality's area of jurisdiction; and
 - 4.1.4. must comply with any other terms or conditions determined by the Council from time to time.
- 4.2. *Where a household that does not have a municipal account is in a remote rural community, these households may still apply and be registered as an indigent household, although benefits will be limited to access to free basic water delivered in water tankers.*
- 4.3. Council reserves the right to review and revise the scheme conditions, criteria and benefits, as it deems necessary.

- 4.4. Notwithstanding anything else set out in this policy, Council reserves the right to reject applications or to deregister an indigent household, when such actions are taken by resolution.

5. **Registration**

- 5.1. Qualifying households may apply to register as indigent at any time during the financial year on the prescribed application form of the Council.
- 5.2. *The person applying on behalf of a household must –*
- 5.2.1. *be a South African citizen;*
 - 5.2.2. *not be younger than twenty one years of age, except if the child is appointed executorship by a court of law;*
 - 5.2.3. *must reside and be a full-time occupant at that property except in the case of a child headed household; and*
 - 5.2.4. *must be the owner or tenant who receives Municipal services and is registered as an account holder on the Municipal financial system.*
- 5.3. In the case of a deceased estate, the surviving spouse or dependants of the deceased, who occupy the property may apply if they meet the all the above criteria except paragraph 5.2.4.
- 5.4. *The Board of Trustees / Managing Agent / Chairperson of a Body Corporate of bodies corporate or retirement centres that accommodate households that would otherwise qualify as indigent, may apply to the Chief Financial Officer for registration in order to receive a pro-rata subsidy on Free Basic Services, although it is at the sole discretion of the municipality as to whether such application is approved.*
- 5.5. An application must be accompanied by –
- 5.5.1. documentary proof of income such as a letter from the *applicant's* employer, salary advice, pension card, unemployment fund card, or an affidavit declaring unemployment or household income;
 - 5.5.2. details of any other grants or subsidies received by the applicant or any other member of the household must be supplied, although these will not be considered as income in terms of paragraph 4.1;
 - 5.5.3. the applicant's latest municipal account;
 - 5.5.4. a certified copy of the applicant's identity document; and
 - 5.5.5. the names and identity numbers of all occupants over the age of 18 years who are resident at the property.
- 5.6. As part of the application, the applicant must be willing to give consent for external scans and credit bureau checks.
- 5.7. *As part of the application, the applicant must consent to receiving the service and agree to the terms and conditions specified by the municipality.*
- 5.8. An indigent household must re-apply annually before the end of April for the next financial year for registration as an indigent household, failing which any benefits will be withdrawn automatically from 1 July of the new financial year.
- 5.9. A reapplication must follow the same process and procedure set out above.

- 5.10. The Municipality does not guarantee the re-registration of indigent households.
- 5.11. A registered indigent household must be in possession of a letter of registration from the Municipality.
- 5.12. The Council may cause inspectors to visit indigent households to audit the veracity of the data in the application form and to record any changes in circumstances and make recommendations on the continuation or discontinuation of the registration or any subsidy.

6. Deregistration

- 6.1. A registered indigent household must immediately request de-registration by the Municipality if the circumstances of the household have changed to the extent that the household no longer meets the qualification set out in paragraph 4.

7. Disqualification

- 7.1. An applicant who provides false information in an application form and/or any other documentation with the application –
- 7.1.1. shall automatically, without notice, have their household de-registered as an indigent household from the date on which the Municipality became aware that such information is false;
 - 7.1.2. shall be held liable for the payment of all services received in addition to any other legal actions the Municipality may take against such a customer;
 - 7.1.3. shall never in future be allowed to lodge an application for an indigent household, whatever the circumstances he/she may have to endure in future.
- 7.2. Households will be disqualified from the scheme if –
- 7.2.1. the application was filled in dishonestly;
 - 7.2.2. any audit indicates changes in the financial circumstances of the household that may impact upon their meeting the qualifying criteria.

8. Management

- 8.1. *The Council and Municipal Manager must establish strategies that tackle each of the following four key issues –*
- 8.1.1. *actively encouraging all qualifying persons to register as indigents under this policy;*
 - 8.1.2. *ensuring that all registered indigent households have physical access to the services (i.e. the infrastructure required must be in place);*
 - 8.1.3. *ensuring that free basic services are provided in a reliable, appropriate and sustainable manner, and that the service is having the desired impact in improving the lives of the indigent;*
 - 8.1.4. *ensuring that the subsidies offered are properly targeted towards the indigent and that those who can afford to pay do not get subsidised.*
- 8.2. *The Municipality must ensure that its IDP prioritises the provision of free basic services to all indigent households*

- 8.3. *The Municipal Manager and senior managers must align their poverty alleviation programmes to meet the needs of indigent households, and support these households in their struggle to escape from the poverty trap in which they find themselves.*

9. Communications

- 9.1. *The municipality should develop its communication strategy for the Indigent Programme in line with the Communications Handbook on Free Basic Services as issued by the DPLG in 2005.*
- 9.2. *The Municipal Manager is responsible for communicating with all the residents of the municipality –*
- 9.2.1. *What is the municipality trying to achieve with regards to the indigent policy;*
 - 9.2.2. *How will the municipality be going about implementing the indigent policy;*
 - 9.2.3. *What is the value for indigent and non indigent households;*
 - 9.2.4. *Who qualifies for the service and how the municipality has determined this; and*
 - 9.2.5. *How should qualifying household access the services.*

10. Monitoring and Evaluation

- 10.1. *The municipal manager shall report on a monthly basis to the mayor or executive committee, as the case may be, for the month concerned and by municipal ward –*
- 10.1.1. *the number of households registered as indigents and a brief explanation of any movements in such numbers;*
 - 10.1.2. *the monetary value of the actual subsidies and rebates granted;*
 - 10.1.3. *the budgeted value of the subsidies and rebates concerned; and the above information cumulatively for the financial year to date.*
- 10.2. *The mayor or executive committee, as the case may be, shall submit the above reports on a quarterly basis to the council and to the municipality's ward committees, or monthly frequently to any ward committees if so requested.*
- 10.3. *As far as To the extent resources permit, the municipality should develop a strategy that ascertains whether –*
- 10.3.1. *the service is being offered at the appropriate service level, in view of the environment, financial aspects and the social habits of the community;*
 - 10.3.2. *the service is operating adequately;*
 - 10.3.3. *the community is making appropriate use of the service;*
 - 10.3.4. *the community requires any form of training to make better use of the service;*
 - 10.3.5. *the service is meeting the required needs of the community; and the service is beneficially impacting on poverty or the quality of life of the beneficiaries.*

Free Basic Services Policy

Date approved : 10 May 2011

Operation date: 1 July 2011

1. Introduction

- 1.1. The Albert Luthuli Municipality reaffirms its commitment to the national principles that should underpin indigent policy –
 - 1.1.1. Everyone has inherent dignity and the right to have their dignity respected and protected. All process that involves the provision of services to citizens must be done in such a manner as to respect the entrenched rights and dignity of those citizens.
 - 1.1.2. Municipalities must provide basic services to its indigent in a sustainable manner. It is not expected that a municipality will provide Free Basic Services beyond its financial and other capacities.
 - 1.1.3. Indigents must be afforded access to more than just the Free Basic Services package. It is widely acknowledge that the Free Basic Services package on its own will not see indigent communities standards of living improve. It is imperative that linkages be made between the Free Basic Services package and the broader package of social services.
 - 1.1.4. In providing Free Basic Services to indigents, municipalities must provide these services at the recognised and approved minimum basic levels. Municipalities are not dissuaded from providing a higher level of a service if they can afford to do so, and can sustain this higher level.
 - 1.1.5. Free Basic Services are targeted at the indigent. Therefore a municipality can use any approach it chooses to provide Free Basic Services as long as it can ensure and demonstrate that the indigent are benefiting from Free Basic Services.
 - 1.1.6. The municipal indigent policy is not a stand alone policy which is independent from municipalities' IDP's, its debt and credit control procedures, its municipal by laws etc. Municipalities' indigent policies need to be developed to integrate with these strategic management plans and procedures so as to ensure that the municipalities will be able to sustain their Free Basic Services programme.
 - 1.1.7. Municipalities need to start planning realistic exit strategies for their indigent populations to exit from the indigent registers and subsidies. This will entail that the living circumstance of the indigent has improved significantly so that the indigent can afford to pay for their service. What this implies is that municipalities should integrate their Free Basic Services delivery with structured poverty alleviation programmes.
 - 1.1.8. Due to the varying circumstance and conditions within municipalities it is recognised that municipalities should exercise their right to apply the national indigent framework and these guidelines according to their own circumstances.
- 1.2. This Free Basic Services Policy will –
 - 1.2.1. *align to the municipality's poverty alleviation programme;*
 - 1.2.2. allow the municipality to target the delivery of essential services to citizens who experience a lower quality of life;
 - 1.2.3. define the services will be delivered;
 - 1.2.4. define the level of each particular service will be provided to beneficiaries;
 - 1.2.5. assist in establishing the resources allocated by a municipality to enable their indigent policy;

2. Legislative Framework

- 2.1. Legislation that directly impacts upon this policy include –
 - 2.1.1. Constitution of the Republic of South Africa
 - 2.1.2. Local Government Municipal Property Rates Act, 2004 (Act No. 6 of 2004)
 - 2.1.3. Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)
 - 2.1.4. Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
 - 2.1.5. Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)
 - 2.1.6. Water Services Act, 1997 (Act No. 108 of 1997)
- 2.2. National policies and guidelines that directly impact upon this policy include –
 - 2.2.1. Free Basic Water guidelines for local authorities
 - 2.2.2. Free Basic Water Implementation Strategy
 - 2.2.3. Communications Handbook on Free Basic Services
 - 2.2.4. Electricity Basic Services and Support Tariff (Free Basic Electricity) Policy
 - 2.2.5. Study to determine progress with and challenges faced by municipalities in the provision of Free Basic Services & supporting those municipalities struggling with implementation

3. Free Basic Services

- 3.1. Only qualifying indigent households that have been registered by the Municipality in terms of its Indigent Policy may receive benefits under the Free Basic Services Policy.
- 3.2. *The provision of free basic services is based on the expected Equitable Share to be paid to the Council by National Treasury annually. The annual adjustment to these benefits is subjected to the increase in the Equitable Share.*
- 3.3. The Municipal Council will annually, as part of its budgetary process, determine the municipal services and levels thereof that will be subsidised in respect of indigent customers in accordance with national policy, subject to the principles of sustainability and affordability. This may necessitate a review of the free basic services outlined in this policy
- 3.4. The Municipal Council shall, in the determination of municipal services that will be subsidised for indigents, give preference to subsidising at least the following services:
 - 3.4.1. water supply;
 - 3.4.2. electricity supply;
 - 3.4.3. water and electricity basic charges;
 - 3.4.4. sanitation services;
 - 3.4.5. refuse removal services;
 - 3.4.6. assessment rates;
 - 3.4.7. services to customers billed with a “flat rate” where consumption is not metered; and
 - 3.4.8. suspension of arrears payments
- 3.5. *When resources permit, the Municipal Council should give consideration to the provision of additional benefits, including –*
 - 3.5.1. *child-headed households to be linked to social, economic and educational services; and*
 - 3.5.2. *burial or cremation benefits*

4. Electricity Supply

- 4.1. The Municipality will supply 50 (fifty) kWh per month per household to registered indigents will be provided free of charge.
- 4.2. Should an indigent household use less than the allowance as set out in section 4.1 above, the balance cannot be carried forward to a following month, nor will any refund be made.
- 4.3. Electricity usage in excess of the allowance as set out in section 4.1 above must be purchased at the applicable electricity tariff.
- 4.4. Indigent households which exceed free basic services and are in arrears for the payment thereof, may be restricted in respect of electricity.
- 4.5. *The electricity supply may be limited by the municipality to a maximum of 20 amperes and the prepaid dispensers at each home will be set accordingly.*
- 4.6. *The necessary activating number to the value of 50 kWh will be obtained from a municipal pay-point on monthly basis.*
- 4.7. *Upon the discovery and confirmation of any tampering to electricity supply equipment or electricity theft, the indigent household will be deregistered as per the Indigent Policy.*

5. Water Supply

- 5.1. The Municipality will supply 8 (eight) kilolitres per month per household.
- 5.2. Should an indigent household use less than the allowance as set out in section 5.1 above, the balance cannot be carried forward to a following month, nor will any refund be made.
- 5.3. Water usage in excess of the allowance as set out in section 5.1 above must be purchased at the applicable water tariff.
- 5.4. Indigent households which exceed free basic services and are in arrears for the payment thereof, may be restricted in respect of water.
- 5.5. *The water supply may be restricted by the municipality. Where practical, a restriction of 15 kilolitres per month shall be applicable to registered indigents. Where a restriction of 15 kilolitres per month is exceeded repeatedly for a period exceeding three consecutive months in a calendar year a restricted metered service be installed to limit water consumption to more affordable levels.*
- 5.6. *Upon the discovery and confirmation of any tampering to water supply equipment or water theft, the indigent household will be deregistered as per the Indigent Policy.*

6. Water and Electricity Basic Charges

- 6.1. The Municipality will offer a 50% rebate on Water and Electricity basic charges, where applicable, in line with the approved tariffs of Council from time to time.

7. Sanitation Services

- 7.1. The Municipality will offer a 50% rebate on the cost of Sanitation Services as per the approved tariff of Council from time to time.

8. Refuse Removal Services

- 8.1. The Municipality will offer a 50% rebate on the cost of Refuse Removal Services to a maximum of one removal per household per week as per the approved tariffs of Council from time to time.

9. Assessment Rates

- 9.1. The Municipality will offer a 90% rebate on the assessed rates with a maximum property value threshold the Council will determine as part of the budgetary process annually.

10. Services to Customers billed with a “flat rate” where consumption is not metered.

- 10.1. The Municipality will offer a 50% rebate on services to customers billed with a “flat rate” where consumption is not metered.

11. Suspension of Arrears Payments

- 11.1. Arrears accumulated in respect of the municipal accounts of customers prior to their first registration as indigent customers, will be suspended and interest shall not accumulate on such arrears for the period that a customer remains registered as an indigent customer.
- 11.2. Arrears suspended in terms of Section 11.1 shall become due and payable by the customer by de-registration in terms of the Indigent Policy.

In special individual cases, a report can be submitted to the Mayoral Committee to decide if Section 11.2 should be implemented or not.

Budget Policy

Date approved : 10 May 2011

Operation date: 1 July 2011

1. INTRODUCTION

Section 16 of the Municipal Finance Management Act, requires a municipality to approve an annual budget for the Municipality before the commencement of each Financial Year.

This Policy has been developed in line with this legislative background.

The Budget plays a critical role in an attempt to realize diverse community needs.

Central to this, the formulation of a Municipality Budget must take into account the national government's macro-economic, fiscal policies within its policy framework.

2. DEFINITIONS

"allocation", means –

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"approved budget," means an annual budget –

- (a) approved by a municipal council, and
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"basic municipal service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"budget-related policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including –

- Tariffs Policy
- Rates Policy
- Credit Control and Debt Collection Policy
- Cash Management and Investment Policy
- Borrowing Policy
- Funding and Reserves Policy
- Supply Chain Management Policy
- Indigents Policy

as well as

- Indigents Policy
- policy(ies) related to Long-term Financial Planning
- policy(ies) dealing with the management and disposal of assets
- policy(ies) dealing with infrastructure investment and capital projects
- policy(ies) related to the provision of free basic services
- policy(ies) related to budget implementation and monitoring
- policy(ies) related to managing electricity and water

- policy(ies) relating to personnel
- policy(ies) dealing with municipal entities

“budget transfer” means transfer of funding within a function / vote;

“budget year” means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

“Chief Financial Officer” means a person designated in terms of section 80(2) (a) of the MFMA;

“councillor” means a member of a municipal council;

“creditor”, means a person to whom money is owed by the municipality;

“current year” means the financial year, which has already commenced, but not yet ended;

“delegation”, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

“financial recovery plan” means a plan prepared in terms of section 141 of the MFMA;

“financial statements”, means statements consisting of at least –

- a statement of financial position;
- a statement of financial performance;
- a cash-flow statement;
- any other statements that may be prescribed; and
- any notes to these statements;

“financial year” means a twelve months period commencing on 1 July and ending on 30 June each year;

“fruitless and wasteful expenditure” means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

“irregular expenditure”, means –

- expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of section 170 of the MFMA;
- expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of “unauthorised expenditure”;

“investment”, in relation to funds of a municipality, means –

- the placing on deposit of funds of a municipality with a financial institution; or
- the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

“local community” has the meaning assigned to it in section 1 of the Municipal Systems Act;

“Executive Mayor” means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

“municipal council” or **“Council”** means the council of a municipality referred to in section 18 of the Municipal Structures Act;

“municipal entity” has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

“Municipal Finance Management Act” means the Local Government: Municipal Structures Act, 2004 (Act No. 56 of 2004);

“Municipal Manager” means the Accounting Officer as appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

“Municipal Structures Act” means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

“Municipal Systems Act” means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

“municipality” –

(a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or

(b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

“municipal service” has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

“municipal tax” means property rates or other taxes, levies or duties that a municipality may impose;

“National Treasury” means the National Treasury established by section 5 of the Public Finance Management Act;

“official”, means –

(a) an employee of a municipality or municipal entity;

(b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or

(c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

“overspending” –

(a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;

(b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or

(c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

“past financial year” means the financial year preceding the current year;

“quarter” means any of the following periods in a financial year:

(a) 1 July to 30 September;

(b) 1 October to 31 December;

(c) 1 January to 31 March; or

(d) 1 April to 30 June;

“service delivery and budget implementation plan” means a detailed plan approved by the executive mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate

(a) projections for each month of –

(i) revenue to be collected, by source; and

(ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter; and

(c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l) (c) of the MFMA;

“unauthorised expenditure”, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes –

(a) overspending of the total amount appropriated in the municipality's approved budget;

(b) overspending of the total amount appropriated for a vote in the approved budget;

(c) expenditure from a vote unrelated to the department or functional area covered by the vote;

- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
 - (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of “allocation” otherwise than in accordance with any conditions of the allocation; or
 - (f) a grant by the municipality otherwise than in accordance with the MFMA;
- “**virement**” means transfer of funds between functions / votes; and
- “**vote**” means –
- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; or
 - (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

3. ABBREVIATIONS USED

CPIX =	Consumer Price Index excluding interest rates on mortgage bonds
CDF =	Capital Development Fund
IDP =	Integrated Development Plan
MFMA =	Municipal Management Finance Act
MIG =	Municipal Infrastructure Grant
MSIG =	Municipal Systems Improvement Grant
MTREF =	Medium-Term Revenue and Expenditure Framework
SDBIP =	Delivery and Budget Implementation Plan

4. OBJECTIVE

The objective of the budget policy is to set out –

- 4.1. The principles which the Municipality will follow in preparing each Medium Term Revenue and Expenditure Framework budget.
- 4.2. The responsibilities of the Executive Mayor, the Accounting Officer, the Chief Financial Officer and other Senior Managers in compiling the Budget.
- 4.3. To establish and maintain procedures to ensure adherence to the Municipality’s IDP Review and Budget Process.
- 4.4. To ensure that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.
- 4.5. The policy shall apply to all the relevant parties within the Municipality that are involved throughout the budget process.

5. BUDGETING PRINCIPLES

- 5.1. The municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels.
- 5.2. The Municipality shall prepare three-year Budget (medium term revenue and expenditure framework) which shall be reviewed annually and approved by the Council.

- 5.3. The MTREF Budget must at all times be within the framework of the Municipal Integrated Development Plan, and the Budget and IDP review process should run concurrently.
- 5.4. Expenses may only be incurred in terms of the approved Annual Budget (or Adjustment Budget) and within the limits of the amounts appropriated for each vote in the approved Budget.
- 5.5. The Annual Budget will only be funded from realistic anticipated revenues to be collected, cash-backed accumulated funds not committed for other purposes and borrowed funds.

6. BUDGET PREPARATION PROCESS

6.1. Formulation of the budget

- 6.1.1. The Accounting Officer with the assistance of the Chief Financial Officer and the Director of the Department of Planning and Economic Development shall draft the IDP process plan as well as the budget timetable for the municipality including municipal entities for the ensuing financial year.
- 6.1.2. The Executive Mayor shall table the IDP process plan as well as the budget timetable to Council by 31 August each year for approval (10 months before the start of the next budget year). The budget timetable shall contain deadlines for –
 - 6.1.2.1. a) the annual review of the IDP
 - 6.1.2.2. b) the review of budget related policies
 - 6.1.2.3. c) the preparation, tabling and approval of the annual budget
 - 6.1.2.4. d) the consultative processes forming part of the budget process.
- 6.1.3. IDP process plan as well as the budget timetable shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.
- 6.1.4. The Chief Financial Officer, and after consultation with the Portfolio Councillor of Finance set the reasonable growth level of the operational budget based on the current financial performance and the prevailing industry growth levels (i.e. CPIX). After the income has been determined, an acceptable growth level for the operating expenditure (including salary increases) is estimated.
- 6.1.5. In September of each year, the Chief Financial Officer shall prepare a Budget Strategy which shall contain the principles, objectives and strategies that will apply during the forthcoming budget preparation process. Such Budget Strategy shall take cognisance of the directives, guidelines and economic factors prevailing at the time or circulated by National and Provincial Government. The Budget Strategy shall give general direction to the budget process and also indicate affordable budget growth and envisaged tariff increases as the base line of the budget process
- 6.1.6. Thereafter, the Executive Mayor shall convene a strategic workshop with the mayoral committee and senior managers in order to determine the IDP priorities which will form the

basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality.

- 6.1.7. Before the end of October of each year, the Executive Mayor shall table the Budget Strategy and IDP Priorities together with an outline draft budget to Council.
- 6.1.8. The Chief Financial Officer and senior managers undertake the technical preparation of the budget.
- 6.1.9. 1.2.7 The budget tabled to Council for approval shall include the following supporting documents –
 - 6.1.10. The budget must be in the format prescribed by National Treasury and must be divided into a capital and an operating budget.
 - 6.1.11. The budget must be balanced and reflect the realistically anticipated revenues by major revenue source for the budget year concerned.
 - 6.1.12. The expenses reflected in the budget must be divided into different categories (for operating budget) and different capital projects or services (for capital budget).
 - 6.1.13. The budget must also contain the foregoing information for the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the year before the current year, and the estimated revenues and expenses for the current year.
- 6.1.14. The budget shall include the following supporting documents –
 - 6.1.14.1. draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
 - 6.1.14.2. draft resolutions (where applicable) amending the IDP and the budget-related policies;
 - 6.1.14.3. measurable performance objectives for each budget vote, taking into account the municipality's IDP;
 - 6.1.14.4. the projected cash flows for the financial year by revenue sources and expenditure votes broken down per month;
 - 6.1.14.5. any proposed amendments to the IDP;
 - 6.1.14.6. any proposed amendments to the budget-related policies;
 - 6.1.14.7. the cost to the municipality of the salaries, allowances and other benefits of its political office bearers and other councillors, the Municipal Manager, the chief financial officer, and other senior managers employed in terms of Section 57 of the Municipal Systems Act;
 - 6.1.14.8. particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the municipality in service delivery, other organs of state, and organisations such as NGOs, welfare institutions etc;
 - 6.1.14.9. particulars of the municipality's investments; and
 - 6.1.14.10. various information in regard to municipal entities (if any) under the shared or sole control of the municipality.
- 6.1.15. The Executive Mayor shall table the draft IDP, MTREF budget and supporting documents to Council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies.

6.2. Public participation process

- 6.2.1. Immediately after the annual budget has been tabled, the Municipal Manager must make this budget and other budget-related documentation public, and invite the local community to submit representations in regard to such budget. The public participation process must be a formal process and must ensure adequate consultation as contemplated in the MFMA.
- 6.2.2. After considering all budget submissions, the Council must give the Executive Mayor an opportunity to respond to the submissions; and if necessary, to revise the budget and table amendments for consideration by the Council.

6.3. Approval of the budget

- 6.3.1. Council shall consider the next medium term expenditure framework budget for approval not later than 31 May (30 days before the start of the budget year).
- 6.3.2. The council resolution, must contain budget policies and performance measures be adopted (as per section 17 of the MFMA).
- 6.3.3. Should the municipality fail to approve the budget before the start of the budget year, the Executive Mayor must inform the MEC for Finance that the budget has not been approved.

6.4. Publication of the budget

- 6.4.1. The Municipal Manager must within 14 days after approval of the budget submit the approved budget and supporting documentation in both printed and electronic formats to the National Treasury, the Provincial Treasury, and in either format to prescribed national and provincial organs of state and other municipalities affected by the budget.
- 6.4.2. The Municipal Manager must publish the approved budget on the municipal website.

6.5. Service Delivery and Budget Implementation Plan (SDBIP)

- 6.5.1. The Executive Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.
- 6.5.2. The SDBIP shall include the following components –
 - 6.5.2.1. monthly projections of revenue to be collected for each source;
 - 6.5.2.2. monthly projections of expenditure (operating and capital) and revenue for each vote;
 - 6.5.2.3. quarterly projections of service delivery targets and performance indicators for each vote;
 - 6.5.2.4. ward information for expenditure and service delivery; and
 - 6.5.2.5. detailed capital works plan broken down by ward over three years.

7. CAPITAL BUDGET

7.1. Capital Budget Preparation

- 7.1.1. Expenditure of a project shall be included in the capital budget if it meets the asset definition i.e. if it results in an asset being acquired or created and its value exceeds R10 000 and has a useful life in excess of one year.
- 7.1.2. Vehicle replacement shall be done in terms of Council's vehicle replacement policy. The budget for vehicles shall distinguish between replacement and new vehicles. No globular amounts shall be budgeted for vehicle acquisition.
- 7.1.3. Except in so far as capital projects represent a contractual commitment to the Municipality extending over more than one financial year, the annual capital budget shall be prepared using a zero-based approach.
- 7.1.4. A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.
- 7.1.5. Council shall approve the annual or adjustment capital budget only if it has been properly balanced and fully funded.
- 7.1.6. Excess budget available on capital projects may not be used for purposes other than what the expenditure was initially intended for.

7.2. Capital Budget Funding

- 7.2.1. The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.
- 7.2.2. Before approving a capital project, the Council must consider –
 - 7.2.2.1. the projected cost of the project over all the ensuing financial years until the project becomes operational; and
 - 7.2.2.2. any future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).
- 7.2.3. Before approving the capital budget, the council shall consider –
 - 7.2.3.1. the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans,
 - 7.2.3.2. depreciation of fixed assets,
 - 7.2.3.3. maintenance of fixed assets, and
 - 7.2.3.4. any other ordinary operational expenses associated with any item on such capital budget.
- 7.2.4. The capital expenditure shall be funded from the following sources –
 - Internal sources**
 - 7.2.4.1. If any project is to be financed from revenue this financing must be included in the cash budget to raise sufficient cash for the expenditure.
 - 7.2.4.2. If the project is to be financed from surplus or from the Capital Development Fund there must be sufficient cash available at time of execution of the project.

External loans

- 7.2.4.3. External loans can be raised only if it is linked to the financing of an asset;
- 7.2.4.4. A capital project to be financed from an external loan can only be included in the budget if the loan has been secured or if can be reasonably assumed as being secured;
- 7.2.4.5. The loan redemption period should not exceed the estimated life expectancy of the asset. If this happens the interest payable on the excess redemption period shall be declared as fruitless expenditure;
- 7.2.4.6. Interest payable on external loans shall be included as a cost in the revenue budget;
- 7.2.4.7. Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.

External sources

- 7.2.4.8. Grants and subsidies as allocated in the annual Division of Revenue of Act;
 - 7.2.4.9. Grants and subsidies as allocated by Provincial government;
 - 7.2.4.10. Private Contributions;
 - 7.2.4.11. Contributions from the Capital Development Fund (developer's contributions) and,
 - 7.2.4.12. Any other financing source secured by the municipality.
- 7.2.5. Borrowing is only permitted to fund capital investment in property, plant and equipment, but assets deemed essential to the maintenance of public health and safety or that may compromise the ability to deliver certain essential services may not be pledged as security for such borrowings.

7.3. Capital Replacement Reserve

- 7.3.1. Council may establish a Capital Development Fund as a capital replacement reserve for the purpose of financing capital projects and the acquisition of assets.
- 7.3.2. The Capital Development Fund may be funded from the following sources of revenue –
 - 7.3.2.1. unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
 - 7.3.2.2. interest on the investments of the Capital Development Fund, appropriated in terms of the investments policy;
 - 7.3.2.3. additional amounts appropriated as contributions in each annual or adjustments budget;
 - 7.3.2.4. sale of land and profit or loss on the sale of assets; and
 - 7.3.2.5. proceeds from royalties and the exploration of minerals.
- 7.3.3. Before any asset can be financed from the Capital Development Fund the financing must be available within the reserve and available as cash as this fund must be cash-backed.
- 7.3.4. If there is insufficient cash available to fund the Capital Development Fund this reserve fund must then be adjusted to equal the available cash.
- 7.3.5. Transfers to the Capital Development Fund must be budgeted for in the cash budget.

7.4. Grant Funding

- 7.4.1. Capital expenditure funded by grants must be budgeted for in the capital budget;

7.4.2. Interest earned on investments of Conditional Grant Funding shall be capitalised if the conditions state that interest should accumulate in the fund. If there is no condition stated the interest can then be allocated directly to the revenue accounts.

7.4.3. Grant funding does not need to be cash-backed but cash must be secured before spending can take place.

8. OPERATING BUDGET

- 8.1. The municipality shall budget in each annual and adjustments budget for the contribution to:
- 8.1.1. provision for accrued leave entitlements equal to 100% of the accrued leave;
 - 8.1.2. entitlement of officials as at 30 June of each financial year;
 - 8.1.3. provision for bad debts in accordance with its rates and tariffs policies;
 - 8.1.4. provision for the obsolescence and deterioration of stock in accordance with its Supply Chain Management Policy;
 - 8.1.5. depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate;
 - 8.1.6. at least 8% of the operating budget component of each annual and adjustments budget shall be set aside for such maintenance;
 - 8.1.7. the budget for salaries, allowances and salaries-related benefits shall not exceed 45% of the aggregate operating budget component of each annual and adjustments budget (for purposes of this item, the remuneration of political office bearers and other councillors shall be excluded from this limit); and
 - 8.1.8. at least 0.15% of the operating budget component of each annual budget shall be set aside for skills development.
- 8.2. When considering the draft annual budget, council shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.
- 8.3. The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.
- 8.4. The operating budget shall reflect the impact of the capital component on –
- 8.4.1. depreciation charges;
 - 8.4.2. repairs and maintenance expenses;
 - 8.4.3. interest payable on external borrowings; and
 - 8.4.4. other operating expenses.
- 8.5. The chief financial officer shall ensure that the cost of indigent relief is separately reflected in the appropriate votes.
- 8.6. Operating expenditure funded from grants must be budgeted for as part of the revenue budget.
- 8.7. A zero-based approach shall be used in preparing the annual operating budget, except in cases where a contractual commitment has been made that would span over more than one financial year, in which case the zero based method will be followed.
- 8.8. The operational budget may be financed only from –

- 8.8.1. realistically expected revenues, based on current and previous collection levels; and
- 8.8.2. cash-backed funds available from previous surpluses where such funds are not required for other purposes.

9. UNSPENT FUNDS / ROLL-OVER OF BUDGET

- 9.1. The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.
- 9.2. Only unspent grant (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year.
- 9.3. Conditions of the grant fund shall be taken into account in applying for such roll over of funds.
- 9.4. Application for roll over of funds shall be forwarded to the budget office by the 15th of April each year for inclusion in following year's budget for adoption by Council in May of that year.
- 9.5. Adjustments to the rolled over budget shall be done during the 1st budget adjustment in the new financial year after taking into account expenditure up to the end of the previous financial year.
- 9.6. No funding for projects funded from the Capital Development Fund shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior the end of that particular financial year.
- 9.7. No unspent operating budget shall be rolled over to the next budget year.

10. BUDGET TRANSFERS AND VIREMENTS

- 10.1. No budget transfers or virement shall be made to or from salaries except with the prior approval of the Chief Financial Officer in consultation with the Director Corporate Services.
- 10.2. The budget for personnel expenditure may not be increased without prior approval of the Chief Financial Officer.
- 10.3. Savings on allocations earmarked for specific operating and capital projects may not be used for other purposes except with the approval of council.
- 10.4. The amount of a saving under a main expenditure category of a vote that may be transferred to another main expenditure category may not exceed ten per cent of the amount appropriated under that main expenditure category.
- 10.5. Savings in an amount appropriated for capital expenditure may not be used to defray operational expenditure, except in the cases of grants whose conditions permit such a transfer.
- 10.6. Budget transfers or virements with respect to capital projects may only be undertaken in accordance with section 31 of the MFMA.

- 10.7. Directors may utilize a saving in the amount appropriated under a main expenditure category (e.g. Salaries, General Expenses, Repairs & Maintenance, etc.) within a vote which is under their control towards the defrayment of excess expenditure under another main expenditure category within the same vote, after obtaining approval of the Chief Financial Officer or such senior delegated official in the Budget & Treasury Department.
- 10.8. Budget transfers within the same vote shall be recommended by the Director responsible for that vote and approved by the Chief Financial Officer or such other senior delegated official in the Department of Finance.
- 10.9. The Municipal Manager must report to the Executive Mayor on a monthly basis on all virements that have been approved during the preceding month, and to the Executive Mayoral Committee on all virements of funds between votes (directorates) that have been approved during the preceding month.
- 10.10. Virements between votes shall be included in the adjustment budget.
- 10.11. In the case of emergency or any other exceptional circumstances virements shall be submitted by the Municipal Manager to the Executive Mayor to authorize any possible unforeseeable or unavoidable expenditure for which no provision was made in an approved budget.
- 10.12. The Executive Mayor must report such expenditure to the Council at its next meeting which should not be departed more than 60 (sixty) days from approval of expenditure.

11. ADJUSTMENTS BUDGET

- 11.1. Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.
- 11.2. The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the Executive Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the Executive Mayor on the revision of the IDP and the budget-related policies where these are indicated.
- 11.3. Council may revise its annual budget by means of an adjustments budget at most three times a year or a regulated.
- 11.4. The Municipal Manager must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- 11.5. The Municipal Manager shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council.
- 11.6. The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.

- 11.7. The Council should also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council.
- 11.8. Only the Executive Mayor shall table an adjustments budget.
- 11.9. Adjustments budget shall be tabled at most three times a year after the end of each quarter and be submitted to Council in the following months –
 - 11.9.1. In October – to adjust funding rolled over from the previous financial year as well as to include additional funding that has become available from external sources;
 - 11.9.2. In February – to take into account recommendations from the mid-year budget and performance report tabled to Council in January that affect the annual budget;
 - 11.9.3. In May – to adjust current year’s budget in cases where there is a indication that there will be rolling over of funding to the next financial year.

OR

- 11.10. Adjustment Budgets shall be done once per year and only during December of each year and be submitted to Council before 25 January of each year.
- 11.11. An adjustments budget must contain all of the following –
 - 11.11.1. an explanation of how the adjustments affect the approved annual budget;
 - 11.11.2. appropriate motivations for material adjustments; and
 - 11.11.3. an explanation of the impact of any increased spending on the current and future annual budgets.
- 11.12. Any unappropriated surplus from previous financial years, even if fully cash-backed, shall not be used to balance any adjustments budget, but shall be appropriated to the municipality’s Capital Development Fund .
- 11.13. Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.
- 11.14. Unauthorised expenses may be authorised in an adjustments budget.
- 11.15. In regard to unforeseen and unavoidable expenditure, the following apply –
 - 11.15.1. the Executive Mayor may authorise such expenses in an emergency or other exceptional circumstances;
 - 11.15.2. the municipality may not exceed 3 % of the approved annual budget in respect of such unforeseen and unavoidable expenses;
 - 11.15.3. these expenses must be reported by the Executive Mayor to the next Council meeting;
 - 11.15.4. the expenses must be appropriated in an adjustments budget; and
 - 11.15.5. Council must pass the adjustments budget within sixty days after the expenses were incurred.

12. BUDGET IMPLEMENTATION

12.1. Monitoring

- 12.1.1. The Municipal Manager with the assistance of the chief financial officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that –
 - 12.1.1.1. funds are spent in accordance with the budget;
 - 12.1.1.2. expenses are reduced if expected revenues are less than projected; and
 - 12.1.1.3. revenues and expenses are properly monitored.
- 12.1.2. The Municipal Manager with the assistance of the chief financial officer must prepare any adjustments budget when such budget is necessary and submit it to the Executive Mayor for consideration and tabling to Council.
- 12.1.3. The Municipal Manager must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

12.2. Reporting

Monthly budget statements

- 12.2.1. The Municipal Manager with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit to the Executive Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date. This report must reflect the following –
 - 12.2.1.1. actual revenues per source, compared with budgeted revenues;
 - 12.2.1.2. actual expenses per vote, compared with budgeted expenses;
 - 12.2.1.3. actual capital expenditure per vote, compared with budgeted expenses;
 - 12.2.1.4. actual borrowings, compared with the borrowings envisaged to fund the capital budget;
 - 12.2.1.5. the amount of allocations received, compared with the budgeted amount;
 - 12.2.1.6. actual expenses against allocations, but excluding expenses in respect of the equitable share;
 - 12.2.1.7. explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
 - 12.2.1.8. the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
 - 12.2.1.9. projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.
- 12.2.2. The report to the National Treasury must be both in electronic format and in a signed written document.

Quarterly Reports

- 12.2.3. The Executive Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality.

Mid-year budget and performance assessment

- 12.2.4. The Municipal Manager must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.
- 12.2.5. The Municipal Manager must then submit a report on such assessment to the Executive Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.
- 12.2.6. The Municipal Manager may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

Website Publishing

- 12.2.7. The Director Corporate Services must place on the municipality's official website the following –
- 12.2.7.1. the annual and adjustments budgets and all budget-related documents;
 - 12.2.7.2. all budget-related policies;
 - 12.2.7.3. the integrated development plan;
 - 12.2.7.4. the annual report;
 - 12.2.7.5. all performance agreements;
 - 12.2.7.6. all service delivery agreements;
 - 12.2.7.7. all long-term borrowing contracts; and
 - 12.2.7.8. all quarterly and mid-year reports submitted the Council on the implementation of the budget and the financial state of affairs of the municipality.

Other Reports

- 12.2.8. The Chief Financial Officer must ensure that the financial information which is required for the following annual, six-monthly, quarterly and monthly reports is provided within the required deadlines –

Annual Reports

- 12.2.8.1. Asset Management
- 12.2.8.2. Budget Evaluation Checklist
- 12.2.8.3. Financial Position
- 12.2.8.4. Financial Position Audited
- 12.2.8.5. Capital Acquisition
- 12.2.8.6. Capital Acquisition Audited

- 12.2.8.7. Cash Flow Budget
- 12.2.8.8. Grants and Subsidies Given
- 12.2.8.9. Grants and Subsidies Received
- 12.2.8.10. Financial Performance Audited
- 12.2.8.11. Financial Performance Budget
- 12.2.8.12. IDP to Budget
- 12.2.8.13. Mid-year budget and performance assessment
- 12.2.8.14. Annual Budget

Six-Monthly Reports

- 12.2.8.15. Mid-year Budget and Performance Assessment (Section 72 MFMA)

Quarterly Reports

- 12.2.8.16. Borrow Monitoring
- 12.2.8.17. Corporate Entity
- 12.2.8.18. Long Term Contracts
- 12.2.8.19. MFMA 12 Urgent Priorities
- 12.2.8.20. Public-Private Partnerships
- 12.2.8.21. Equitable Share
- 12.2.8.22. Withdrawals from Municipal Bank Accounts
- 12.2.8.23. Environment and Health – Allocations and Expenditure
- 12.2.8.24. Budget Review (Section 52 MFMA)

Monthly Reports

- 12.2.8.25. Aged Creditors
- 12.2.8.26. Aged Debtors
- 12.2.8.27. Capital Acquisitions Actual
- 12.2.8.28. Cash Flow Actuals
- 12.2.8.29. Finance Management Grant
- 12.2.8.30. Financial Performance Actuals
- 12.2.8.31. Restructuring Grant
- 12.2.8.32. Municipal Infrastructure Grant
- 12.2.8.33. MSIG – Project Consolidate
- 12.2.8.34. Budget Statement (Section 71 MFMA)
- 12.2.8.35. Supply Chain Management Awards

Water and Electricity Management Policy

Date approved : 10 May 2011

Operation date: 1 July 2011

1. Introduction

This Water and Electricity Management Policy has been developed to meet legislative requirements. The Albert Luthuli Local Municipality will use this policy to direct the development of appropriate strategies that can then be implemented as and when resources are available.

2. Legislative Framework

The Municipal Budget and Reporting Regulations, 2008 were published by National Treasury as Notice 393 in the Government Gazette No. 32141 on 17 April 2009. Regulation 7(1) states that –

The municipal manager of a municipality must prepare, or take all reasonable steps to ensure the preparation of the budget-related policies ¹ of the municipality, or any necessary amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21 (1)(b) of the Act.

The footnote ¹ to this regulation lists a number of required policies including

- (n) *any policies related to managing electricity and water including –*
 - (i) *a policy related to the management of losses; and*
 - (ii) *a policy to promote conservation and efficiency;*

This policy of the Albert Luthuli Municipality has been developed to comply with the above requirement.

3. Objective

In 2004, the then Department of Water Affairs and Forestry issued the Guidelines for Water Conservation and Water Demand Management in Water Management Areas and in the Water Services Sector as part of its Integrated Water Resources Management Strategy.

In June 2009, the then Department of Minerals and Energy issued the National Energy Efficiency Strategy, which was reviewed and updated in October 2008. However, this strategy does not provide any guidance to municipalities.

The objectives of the policy of the Albert Luthuli Municipality are to adhere to the above water guideline and to follow best-practice policies with regard to electricity management. The timing of the implementation may be affected by practical considerations as well the extent of resources that are available.

4. Water losses

Minimizing water loss will be achieved through an effective distribution management strategy that will incorporate the following elements:

- 4.1. A system of flow measurement throughout the bulk distribution system that allows regular measurements to be monitored, thereby allowing for timeous identification of losses;

- 4.2. An effective management system that optimizes flow rates and pressures, monitors water quality and is able to identify and rectify problems appropriately;
- 4.3. A proactive maintenance program that reduces the probability of leaks occurring in the first place;
- 4.4. A suitably resourced maintenance unit that can ensure that leaks or blockages are repaired without undue delays – either through internal capacity or through competent contractors;
- 4.5. An effective asset management program that ensures that the installed infrastructure is designed to meet present and future needs, that plans are developed timeously for refurbishments and/or replacements, and that suitable training is provided to operators; and
- 4.6. An appropriate rationing system that, in the case of severe drought or other inflow impediment, ensures that supplies to emergency services are not affected, ensures that a basic service is provided to all, yet is still able to ration supply as required.

5. Water conservation and efficiency

Maximizing water conservation and efficiency will be achieved through influencing consumer demand, controlling return flows and social awareness strategies that will incorporate the following elements:

Consumer Demand Management

- 5.1. Water efficient appliances should be promoted through LED programs that will encourage their local manufacture, installation, wholesaling and retailing;
- 5.2. Municipal building regulations should be updated to incorporate best practice in terms of water usage efficiency, especially in commercial and public buildings; and
- 5.3. Water tariffs should be determined in a manner that does not just maximize revenue to the municipality, but also influences (i.e. reduces) unnecessary water usage.

Return Flow Management

- 5.4. Monitoring sewerage flows is essential to minimize unwanted inflows and leakages will reduce operating costs while also reducing environmental & health risks;
- 5.5. Dual water systems (potable and grey) that promote water re-use should be installed wherever viable.

Social Awareness and Education

- 5.6. The fact that “water is a scarce resource” must be effectively communicated to all residents and consumers, who should be encouraged to adopt water conservation habits and practices;
- 5.7. Campaigns should be targeted at identified groups and communicated in the most effective manner available, as well as forming an integral component of the IDP process.
- 5.8. Awareness must also be raised and maintained within the municipality’s own staff and service providers.

6. Electricity conservation and efficiency

Electricity shortages are likely to reoccur in future, and municipalities will have a major role to reduce the impact upon users through influencing consumer demand through social awareness strategies that will incorporate the following activities:

- 6.1. Access, and assist local businesses to access, funding from other sources (including CDM credits) to improve electricity efficiency.
- 6.2. Develop programs in collaboration with Gert Sibande and other local municipalities to reduce overheads in the roll-out of electricity conservation and communication initiatives.
- 6.3. Make full use of Eskom's Demand Side Management (DSM) programme, including the CFL exchange and solar water heater programs as well as the Residential Load Management program.
- 6.4. Establish working relationships with other entities such as the National Energy Efficiency Agency, in order to develop best-practice strategies that are appropriate for the Albert Luthuli municipality
- 6.5. Develop an appropriate rationing system that, in the case of load shedding, ensures that supplies to emergency and other essential services are not affected.
- 6.6. Where it is likely to generate meaningful cost savings, to tackle energy efficiency in municipal buildings (as per the national program – which excludes municipalities)
- 6.7. Awareness of the need for electricity conservation must also be raised and maintained within the municipality's own staff and service providers.

7. Implementation & Monitoring

While the Council is ultimately responsible for the development, implementation, monitoring and review of this policy, the Municipal Manager is the official responsible for its management while the Director: Technical Services should be assigned responsibility for its day-to-day management.

The Department of Water Affairs and Forestry has published a number of Best Practice Guidelines and a range of supporting material in its Integrated Environmental Management Series, which should be used to support the development of strategies to drive the implementation of water-related aspects of this policy.

Other departments and public entities have developed a range of strategies, frameworks and programs, with a number of implementable projects, which should be used wherever practical.

It is also important to monitor and review actual performance against the planned, even for communications and awareness strategies. Whenever the municipality undertakes any projects that incur capital expenditure, then detailed monitoring is essential, and a full assessment of the benefits (if any) conducted at appropriate intervals – as any returns on investments may take several years to achieve.

Overtime Policy

Date approved : 10 May 2011

Operation date: 1 July 2011

1. Introduction

- 1.1. The demand for service delivery often necessitates that employees should perform work outside the normal working hours. It is therefore necessary that such overtime duty be carefully regulated.
- 1.2. Therefore, the Albert Luthuli Municipality hereby adopts this policy to give effect to the implementation of the overtime policy.

2. Objectives

- 2.1. The objectives of these policies are.
 - 2.1.1. To provide guidance in the performance of overtime work by council employees as provided for in the Basic Conditions of Employment Act (Act no. 75 of 1997).
 - 2.1.2. This policy will prescribe the overtime rates to be used to compensate council employees who performed overtime work.
 - 2.1.3. To provide control mechanisms on the performance of overtime by Council employees.

3. Scope of Application

- 3.1. The policy applies to all full time employees of the Municipality except those employees excluded by earning more than the threshold amount as published by the Minister of Labour currently R149 736, 00 per annum, unless otherwise agreed. (*Government Gazette No.30720 of 01 February 2008*)
- 3.2. In the event of any inconsistency between this policy and any National and other Local Government related legislation, such legislation prevails.
- 3.3. No overtime will be paid for attendance of functions/prize giving event etc. by personal invitation except in the cases of compulsory attendance as official representative of Albert Luthuli Municipality and provided that such overtime is authorised in advance by the Municipal Manager.

4. Definitions

Deductions:	means income tax, pension, medical fund etc.
Earnings:	means gross pay before deductions;
Overtime:	means the time that a qualifying employee works during a day of a week in excess of the ordinary hours of work;
Emergency work:	refers to work that must be done without delay because of circumstances for which the employer could not reasonably have been expected to make

provision and which cannot be performed by employees during their ordinary hours of work. Emergency work excludes the performance of routine maintenance work outside normal working hours.

Structured overtime: refers to planned overtime over which the employer has control that continue or take place after normal working hours and will include Council committee meetings.

Remuneration: compensation in money or time off for overtime worked

Wage: means the amount of money paid or payable to an employee in respect of ordinary hours of work

5. Responsibilities

5.1. General

- 5.1.1. The employer and employees both have the responsibility to ensure that the whole process surrounding overtime is underlined with fairness, equity, honesty, transparency, integrity and openness.
- 5.1.2. Each manager is accountable and responsible to constantly monitor and review the provision for overtime on his/her budget and ensure that trends are noted early, funds are adequate, over expenditure is noted, justified and provided for timeously.
- 5.1.3. Every manager/divisional manager has a responsibility for the implementation, maintenance and management of the overtime system.
- 5.1.4. The salary office is responsible for the calculation and paying out of overtime worked.
- 5.1.5. Designated managers and supervisors are responsible for co-ordinating and controlling system implementation and maintenance at operational level.
- 5.1.6. It is the responsibility of each Directorate to keep documented records in respect of all staff who qualify for time off and the appropriate application form should be completed by the employee when requesting time off.

5.2. Principle

Employees may not work overtime unless prior approval has been obtained from the Head of the Department concerned and the work in question cannot be done during working hours. In other words circumstances must be dictating.

5.3. Limitations

- 5.3.1. If an employee agrees to work overtime, the employee may not work:

- 6.2.1.4. Overtime except in accordance with a written agreement from the Head of the Department concerned;
- 6.2.1.5. More than 10 hours overtime per week;
- 6.2.1.6. More than 3 hours per day; and
- 6.2.1.7. Overtime only commences after completion of ordinary daily or weekly working hours.

5.4. Prior Approval

No employee will be remunerated for overtime worked unless such overtime has been budgeted for and authorized by the Departmental Head.

6. Authorisation

Basic Conditions of Employment Act, No 75 of 1997

7. Regulatory Framework

7.1.1. These conditions of service are guided by the following legislation:

- 7.1.1.1. Labour Relations Act;
- 7.1.1.2. Municipal Financial Management Act;
- 7.1.1.3. Government Gazette; and
- 7.1.1.4. Basic Conditions of Employment Act No. 75 Of 1997

8. Overtime Worked During The Week

8.1.1. Employees will be:

- 8.1.1.1. Paid one and a half times the employee's hourly wage for overtime worked; or;
- 8.1.1.2. Paid his/her ordinary wage for overtime worked and be granted 30 minutes time off on full pay for every hour of overtime worked during weekdays: or
- 8.1.1.3. Granted 90 minutes paid time off for each hour of overtime worked during week (Monday - Friday).

9. Time Off

- The employee will be granted paid time off within one month of the employee becoming entitled to it.
- The employee will be remunerated for overtime worked on the employee's normal payday.
- The taking of time off by an employee will be forfeited if not taken within one month's time but may for operational reasons, be extended to a maximum of six months by the employees Directors.
- Time-off cannot be en-cashed and upon termination of service this specific leave can also not be en-cashed.

10. Operational Requirement

- Due to the business and operational requirements of the Municipality, employees will be required to work overtime on occasions.
- The employer may not require or permit an employee to work overtime or to work on Sundays or Public Holidays except in accordance with an agreement.

11. Overtime Worked on Sunday and Public Holidays

Employees, who normally work five days a week, will be:

- Paid double the employee's hourly wage for overtime worked; or
- Paid his/her ordinary wage for overtime worked and be granted 60 minutes time off on full pay for every hour of overtime worked; or
- Granted at least 120 minutes paid time off for each hour of overtime worked during the week (Monday - Friday).

12. Exemptions

All other staff members not covered by this policy (i.e. people earning more than R115 572, 00) shall be entitled to take time off on full pay for overtime hours worked which was duly approved by the immediate Head. This category of officials will be entitled to accumulate up to a maximum of 30 days per annum. Time off must be taken within six months of overtime hours worked, and any extensions must be approved by the Departmental head concerned. Failure to take time off within six months of such accumulation will result in the forfeiture of the days in question, unless such failure is due to operational requirements. Overtime for these employees will be calculated on 90 minutes for each overtime hour worked during normal working days, and 120 minutes for each overtime hour worked on Public Holidays and Sundays.

PART 3
SERVICES DELIVERY AND BUDGET IMPLEMENTATION PLANS

MP301 Albert Luthuli - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue By Source																	
Property rates			2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	28 306	29 835	31 476
Property rates - penalties & collection charges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue			1 982	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	1 606	5 748	23 786	20 308	21 425
Service charges - water revenue			106	106	106	106	106	106	106	106	106	106	106	106	1 268	1 336	1 409
Service charges - sanitation revenue			217	217	217	217	217	217	217	217	217	217	217	217	2 601	2 741	2 892
Service charges - refuse revenue			101	101	101	101	101	101	101	101	101	101	101	101	1 210	1 276	1 346
Service charges - other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			40	40	40	40	40	40	40	40	40	40	40	40	474	500	527
Interest earned - external investments			271	271	271	271	271	271	271	271	271	271	271	271	3 250	3 426	3 614
Interest earned - outstanding debtors			509	509	509	509	509	509	509	509	509	509	509	509	6 109	6 439	6 793
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines			12	12	12	12	12	12	12	12	12	12	12	12	145	153	161
Licences and permits			120	120	120	120	120	120	120	120	120	120	120	120	1 435	1 513	1 596
Agency services			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational			12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	153 332	161 612	170 501
Other revenue			46	46	46	46	46	46	46	46	46	46	46	46	554	584	616
Gains on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)			18 539	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	22 305	222 471	229 722	242 356
Expenditure By Type																	
Employee related costs			6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	6 381	76 573	80 708	85 147
Remuneration of councillors			1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	1 114	13 364	14 086	14 861
Debt impairment			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment			250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 162	3 336
Finance charges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases			2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	24 813	26 152	27 591
Other materials			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services			1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	1 422	17 069	17 991	18 980
Transfers and grants			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure			7 304	6 928	6 928	6 928	6 928	6 928	6 928	6 928	6 928	6 928	6 928	11 070	87 653	87 623	92 443
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure			18 539	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	22 305	222 471	229 722	242 357
Surplus/(Deficit)			(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

MP301 Albert Luthuli - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description		Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue by Vote																	
Vote1 - Planning and Economic Development			10	10	10	10	10	10	10	10	10	10	10	10	125	132	139
Vote2 - Corporate Services			72	72	72	72	72	72	72	72	72	72	72	72	864	910	960
Vote3 - Community Services			118	118	118	118	118	118	118	118	118	118	118	118	1 412	1 487	1 569
Vote4 - Budget & Treasury			14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	14 942	179 302	188 805	199 189
Vote5 - Public Safety			141	141	141	141	141	141	141	141	141	141	141	141	1 693	1 783	1 881
Vote6 - Technical Services			3 256	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	7 023	39 075	41 364	43 639
Vote7 - Executive and Council			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote8 - Council Administration			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote			18 539	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	22 306	222 471	234 481	247 377
Expenditure by Vote to be appropriated																	
Vote1 - Planning and Economic Development			931	931	931	931	931	931	931	931	931	931	931	931	11 173	11 765	12 412
Vote2 - Corporate Services			1 836	1 836	1 836	1 836	1 836	1 836	1 836	1 836	1 836	1 836	1 836	1 836	22 035	23 471	24 479
Vote3 - Community Services			1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	1 647	19 769	20 817	21 962
Vote4 - Budget & Treasury			2 566	2 189	2 189	2 189	2 189	2 189	2 189	2 189	2 189	2 189	2 189	6 331	30 788	32 420	34 203
Vote5 - Public Safety			1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	1 516	18 195	19 159	20 213
Vote6 - Technical Services			6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	82 410	86 777	91 779
Vote7 - Executive and Council			486	486	486	486	486	486	486	486	486	486	486	486	5 831	6 140	6 478
Vote8 - Council Administration			2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	32 270	33 930	35 846
Example 9 - Vote9			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote			18 539	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	22 305	222 471	234 480	247 373
Surplus/(Deficit) before assoc.			0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	1	0	1	4
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)			1	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	1	0	1	4

Capital SDBIP

MP301 Albert Luthuli - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand																
Multi-year expenditure to be appropriated	1															
Vote1 - Planning and Economic Development		17	17	17	17	17	17	17	17	17	17	17	17	200	211	222
Vote2 - Corporate Services		290	290	290	290	290	290	290	290	290	290	290	290	3 483	3 671	3 873
Vote3 - Community Services		767	767	767	767	767	767	767	767	767	767	767	767	9 202	9 699	10 232
Vote4 - Budget & Treasury		21	21	21	21	21	21	21	21	21	21	21	21	257	447	471
Vote5 - Public Safety		375	375	375	375	375	375	375	375	375	375	375	375	4 500	4 743	5 004
Vote6 - Technical Services		9 036	8 203	8 203	8 203	8 203	8 203	8 203	8 203	8 203	8 203	8 203	17 370	108 435	114 290	120 576
Vote7 - Executive and Council		16	16	16	16	16	16	16	16	16	16	16	16	189	199	210
Vote8 - Council Administration		42	42	42	42	42	42	42	42	42	42	42	42	500	527	556
Example 9 - Vote9		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	10 564	9 730	9 730	9 730	9 730	9 730	9 730	9 730	9 730	9 730	9 730	18 897	126 765	133 786	141 145
Single-year expenditure to be appropriated																
Vote1 - Planning and Economic Development		17	17	17	17	17	17	17	17	17	17	17	17	200	211	222
Vote2 - Corporate Services		290	290	290	290	290	290	290	290	290	290	290	290	3 483	3 671	3 873
Vote3 - Community Services		767	308	308	308	308	308	308	308	308	308	308	308	5 350	9 202	9 699
Vote4 - Budget & Treasury		21	21	21	21	21	21	21	21	21	21	21	21	257	447	471
Vote5 - Public Safety		375	375	375	375	375	375	375	375	375	375	375	375	4 500	4 743	5 004
Vote6 - Technical Services		9 036	630	630	630	630	630	630	630	630	630	630	630	93 096	108 435	114 290
Vote7 - Executive and Council		16	16	16	16	16	16	16	16	16	16	16	16	189	199	210
Vote8 - Council Administration		42	42	42	42	42	42	42	42	42	42	42	42	500	527	556
Example 9 - Vote9		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	10 564	1 699	1 699	1 699	1 699	1 699	1 699	1 699	1 699	1 699	1 699	99 207	126 765	133 786	141 145
Total Capital Expenditure	2	21 128	11 430	11 430	11 430	11 430	11 430	11 430	11 430	11 430	11 430	11 430	118 104	253 530	267 573	282 289

